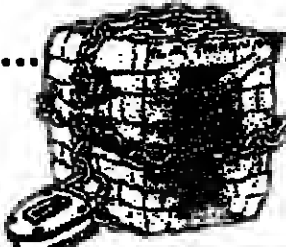


FINANCIAL TIMES

Weekend FT Prisons—right or wrong? SECTION II



The world's most expensive coffee



On the wicked side of Everest 939d



World Business Newspaper

WEEKEND JUNE 1/JUNE 2 1996

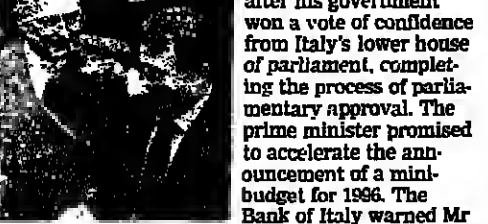
Bulgarian bank may default on bonds worth Y5bn

The likelihood of a default on Y5bn (\$47m) in bonds issued by Bulgaria's Minsrabank increased sharply when Dimitar Kostov, Bulgarian finance minister, said that the government was under no obligation to cover the bank's debts.

France Television chief resigns: The head of France Television, controller of the country's two public broadcasting networks, resigned after growing public criticism.

Schering, the German pharmaceuticals company, is set to expand its fertility and hormone division after announcing it was buying a 74.9 per cent stake in Jenapharm, eastern Germany's only profitable pharmaceuticals group.

Italian PM wins final confidence vote: Romano Prodi (near left) embraces other ministers after his government won a vote of confidence from Italy's lower house of parliament.



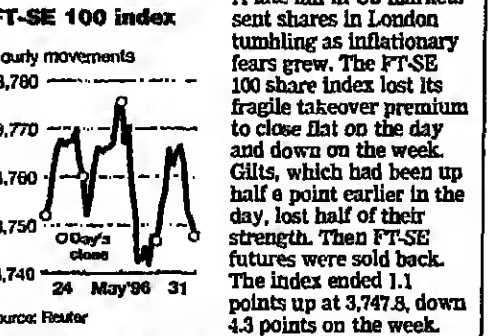
Bank of Italy warned Mr Prodi it would not cut interest rates unless the government cut the country's budget deficit.

Siemens of Germany expects to triple its business in the Spanish telecommunications equipment sector as a result of an agreement signed with Spain's Amper group.

Royal Bank of Scotland has exercised options to purchase a further 1.04m shares in Banco Santander for \$31m (\$47m) taking its stake in Spain's largest banking group to 4.94 per cent.

KHD is upbeat on survival prospects: Rüdiger Humboldt-Deutz, the German engineering group facing bankruptcy after the discovery of losses of DM650m (\$42m) last week, said it was "making good progress on a rescue bid".

Wall Street falls hit UK equity market: A late fall in US markets sent shares in London tumbling as inflationary fears grew.



Source: Reuters

Page 21; Editorial Comment, Page 10; Markets, Weekend FT Page XXXII

Albanian parties begin hunger strike: Albanian opposition parties have begun a hunger strike in protest at last weekend's general elections, alleging ballot-rigging and violence.

Swissair is considering its next move in the arduous battle with BAA for control of the duty-free operations of Alders, the department store group.

Timothy Leary dies: Timothy Leary, Harvard professor, author, lecturer and former prison inmate, died in the US, aged 75. He had cancer. Leary gained fame and infamy in the 1960s for his experiments with psychedelic drugs.

Russian train crash kills 50: About 50 people were killed near the western Siberian city of Kemerovo when four freight cars broke loose from a train and crashed into a passenger train.

Table with 3 columns: Company Name, Share Price, and Change. Includes companies like Alders, Amper, and BAA.

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Peres ousted as prime minister by tiny margin ■ Arabs fear brake on peace process

Netanyahu wins Israeli elections

By Julian Ozanne in Jerusalem: Mr Benjamin Netanyahu, Israel's hardline rightwing leader, has replaced Shimon Peres as the country's prime minister, a final vote count showed yesterday.

Likud's top officials bare their teeth... Page 3 Life and death decisions for former commando... Page 10

"war criminal". Mr Sharon, together with Likud MP Mr Uzi Landau, also vowed that Israel would not honour its commitment to complete a military withdrawal from the West Bank town of Hebron.

Japan, S Korea told to co-host the World Cup

Unprecedented decision forces sharing of 2002 football contest

By Jimmy Burns in Zurich, Ennio Terzani in Tokyo and John Burton in Seoul: South Korea and Japan, the two contenders to stage the 2002 World Cup, were told yesterday to co-host the event after a revolt within the executive committee of Fifa.



Executive revolt: FIFA president and general secretary Jolo Havelange and Joseph Blatter (from left), with Lennart Johansson, who warned that the campaign to stage the World Cup in only one of the countries threatened to divide the football world.

The unprecedented decision would force the two historically antagonistic countries to share the responsibilities and the revenue of world football's premier competition. It was also an embarrassment for Mr Jolo Havelange, Fifa president, who had backed Japan's bid.

World Cup site. The revolt was spearheaded by Mr Lennart Johansson, another Fifa vice-president and head of Uefa, the European football body.

era. A day of democracy for Fifa. Another Fifa executive who did not want to be named said that Mr Havelange had suffered a "devastating personal blow" and serious damage to his campaign for re-election as president in 1998.

N Ireland politics shaken by Sinn Féin election success

By John Kemptner and John Murray Brown in Belfast: Northern Ireland's political landscape was shaken last night as Sinn Féin emerged the main beneficiary from elections that will pave the way for all-party negotiations in 10 days' time.

Results from the province's 18 constituencies gave the IRA's political wing its best showing since the start of the Troubles 30 years ago, with 15 per cent of the vote.

Mr Gerry Adams, Sinn Féin's president, called on the British government to respect his party's mandate and to drop its insistence that the IRA renew its ceasefire as a condition for Sinn Féin participation in the talks.

ASIAN FUNDS GUINNESS FLIGHT TAKE YOUR PORTFOLIO TO NEW HEIGHTS IN ASIA. Includes a list of funds and their launch dates.

STOCK MARKET INDICES table with columns for FT-SE 100, FT-SE EUROTRACK 100, FT-SE A-ALL SHARE, and various international indices.

CONTENTS table listing various sections of the newspaper such as News, Companies & Finance, Markets, and Money.

NEWS: EUROPE

Central bank chief says economic growth could halve to less than 1.5% this year

Italian PM warned to cut budget deficit

By Andrew Hill in Milan
The Bank of Italy yesterday warned Mr Romano Prodi, Italy's new prime minister, that it would not cut interest rates unless the new government cut the country's budget deficit.

approval. The prime minister promised to accelerate the announcement of a mini-budget for 1996. "We must go to the European summit in Florence on June 21 with a precise budget strategy," Mr Prodi told deputies.

But Mr Prodi told his audience of 2,500 Italian bankers, entrepreneurs and trade unionists that inflation, still running at more than 4 per cent in April and May, remained the main target of monetary policy.

happens in other countries, widespread price reductions," he said. Equities and the lira were stable following the speech and the release of provisional GDP figures for the first quarter, which showed annual growth of 1.2 per cent.

Analysts said that although the government had lowered hopes for short-term interest rate cuts, a rigorous policy was good for the long-term outlook and for the lira. Mr Bruno Ravelli, an economist with Bank of America in Milan, said: "The fact that the Bank has set a very tough inflation target of less than 3 per cent for next year is positive."

IMG in running for Olympique Marseille club

By Jimmy Burns in Zurich and Andrew Jack in Paris

The International Management Group of sports entrepreneur Mark McCormack is one of two candidates likely to take control of the scandal-ridden French football club Olympique Marseille.

The club's future has been in doubt since the bankruptcy in April last year of the company which controlled it and since the French businessman and politician Bernard Tapie, who controlled the company, was found guilty of charges of match-rigging.

Olympique Marseille confirmed last night that IMG was one of two purchasers being seriously considered in a move which could take place within the next few weeks. The other is Fiat, a French textiles group.

Control of the football club, which was acquired by Mr Tapie in 1991 and generated liabilities of FF300m (\$52m), was temporarily passed into a special company last May following a commercial court ruling.

The offer for the club by IMG forms part of a calculated strategy to extend the company's worldwide sporting interest into the highly profitable and growing business of European football.

While the group's marketing and TV interests span several sporting activities, its football interests have until now been focused on the Far East and South America.

Mr Eric Drossard, IMG's senior vice-president, said his

company was "very interested" in acquiring the club in time for the 1998 World Cup in France, as he hoped this would more than justify the investment that the company will have to make in the acquisition of new players.

The Marseille stadium is being refurbished and expanded with funds from the French government and will be one of the main venues for the 1998 World Cup.

Company wants to acquire club before 1998 World Cup

IMG expects that it would have to invest at least FF100m in rebuilding the team as one of the top European clubs. It is understood that the deal to acquire the club will be concluded within the next two weeks, after the completion by IMG of a due diligence report on the club and final meetings with officials in Marseille.

Olympique Marseille was promoted to the French first division last month, after being twice relegated by the football authorities following its bankruptcy and charges brought against Tapie for bribing the rival French team of Valenciennes to lose a qualifying match for the European cup in 1993.

Reuter adds: Tapie was sentenced yesterday to six months in prison and banned from running a business for 10 years over the management of his luxury yacht Phoca.

He was found guilty of tax fraud, abuse of company assets and bankruptcy. He also received a total of 3 1/2 years in suspended jail sentences.



Boris Yeltsin: embodies distinctly Russian contradictions

Comeback kid rising in polls

Boris Yeltsin is all things to all men, writes John Thornhill

Mr Joseph Brodsky, the wry Russian poet, once wrote: "Ambivalence, I think, is the chief characteristic of my nation." If so, President Boris Yeltsin must surely rank as his country's most natural politician.

The latter-day democrat, who faced down the tanks outside the White House building in the attempted hardline coup of 1991, then sent them back two years later to spell the same building.

And the man who flew to the Baltic states in the dying days of the Soviet Union to defend the sanctity of small nations, has ruthlessly crushed the independence aspirations of Chechnya in a brutal war which has killed at least 30,000 people.

Yeltsin does not have any personal democratic ideology," Mr Vyacheslav Kostikov, the president's former press secretary, wrote in a controversial book earlier this year. "His ideology, his friend, his concubine, his mistress, his passion, is power."

Many political observers dismissed Mr Yeltsin as a spent political force last December as he lay in hospital and languished in the opinion polls with an approval rating of just 6 per cent. The war in Chechnya, the pain of economic reform and the corruption that encrusted his government seemed to have irrevocably sunk his electoral chances.

But through a phenomenal effort of will Mr Yeltsin has reinvented himself yet again, and it now appears distinctly possible that the 65-year-old politician, who has already lived six years longer than the average Russian man in spite of two serious heart attacks, can yet persuade his compatriots that he represents the best hope for their future.

Mr Lev Sukhanov, a close assistant who has stuck with Mr Yeltsin through thick and thin, is confident the president will win. "When Boris Nikolayevich concentrates his will and decides he wants to do something he is frightening to watch. He thumps the table. He makes people work five times as hard," he says, with a chuckle. "And Boris Nikolayevich badly wants to win."

It might seem surprising that the Russian people could be so forgiving of a politician whose promises seem so transient and whose record in office is so mixed. But this is perhaps to underestimate the politician's disarming candour - and the fear he, and the compliant media, have generated about a return to the communist past.

Migration conference backs plan for rights of refugees in CIS

By Frances Williams in Geneva

An international conference on forced migration in the Commonwealth of Independent States ended yesterday with the adoption of a programme to strengthen the rights of millions of refugees and displaced people and to help prevent further mass movements of population.

The programme document calls on states to observe international humanitarian and refugee law and allow free choice of residence. CIS governments have also agreed to grant citizenship to all former Soviet citizens permanently living in their territory, protect minority rights, allow deported peoples to return,

resolve conflicts peacefully and care for the environment. However, non-governmental organisations said the plan was too vague and criticised the lack of a clear follow-up and implementation strategy. Follow-up work will be the responsibility of UNHCR and the International Organisation for Migration, reporting to a steering committee due to meet annually for four years.

Mr Arthur Heiton of the New York-based Open Society Institute, said the programme reflected "a lack of commitment and poverty of vision" on the part of western nations. He noted that European governments had rejected proposals to widen the definition of a

Albanian parties begin hunger strike

By Marianne Sullivan in Tirana

Albanian opposition parties began a hunger strike yesterday in protest at last week's general elections, alleging ballot-rigging and violence.

The hunger strike by deputies and candidates of the leading opposition Socialist party and some smaller centrist parties comes amid substantial diplomatic pressure on both the opposition and government to work out a compromise in the dispute over Sunday's elections, in which the ruling Dem-

ocratic party led by Albanian President Sali Berisha claimed to have won 95 seats or 67.8 per cent of the vote. Following last Tuesday's clash between police and opposition protesters in which several opposition leaders were beaten and detained, the Socialist party leader, Mr Servet Pellumbi, vowed the parties' demonstrations would continue around the country until new elections were held.

Both the European Union and the Organisation for Security and Co-operation in Europe, which helped monitor the elections, have called on Mr Berisha and his government to organise a partial rerun of the elections. But on Thursday Mr Berisha vowed to press ahead with the second round of voting scheduled for tomorrow, and urged the opposition parties to participate.

Row over curb on China credit

US companies and several congressmen are protesting against a decision by the US Export-Import Bank not to finance sales to China's Three Gorges Dam out of concern for the project's environmental and socio-economic impact.

Mr James Owens, president of Caterpillar, said the decision would undermine US export competitiveness and the company's bid to sell earth-moving equipment for the project. Other US companies requesting Ex-Im bank support are Potlatch Industries and Veight Hydro.

"We do not understand why the White House would position itself squarely against the interests of those whose jobs directly depend on export sales," said Mr Owens. The timing is unfortunate because many pro-business congressmen, who urged the financing, will be expected to fight for the president's renewal of China's Most Favoured Nation status, being put to Congress on Monday.

INTERNATIONAL NEWS DIGEST

Klaus favoured in Czech poll

The Czech Republic's 8m voters went to the polls yesterday at the start of two days of voting in parliamentary elections - with the outgoing prime minister, Mr Vaclav Klaus, strongly favoured to win another four-year term.

Opinion polls have shown Mr Klaus's Civic Democratic party (ODS) with the support of 26 per cent of the electorate and it should again be the biggest party in the 200-seat parliament. The prime minister has campaigned strongly on the theme of continuity after four years of economic reforms that have maintained social peace. The main opposition Social Democrats, with 23 per cent, look set to strengthen their position considerably but are unlikely to be able to form a left-leaning government.

Berlusconi cousin arrested

Mr Giancarlo Foscale, cousin of Mr Silvio Berlusconi and deputy chairman of Fininvest, the former Italian premier's private company, was arrested yesterday as Milan magistrates deepened their investigation into corruption allegations.

Mr Guido Viola, Mr Foscale's lawyer, said his client was alleged to have bribed a manager of Isevelmer, the medium-term lending arm of Banco di Napoli, in return for a preferential loan to a Fininvest finance subsidiary. He said Mr Foscale, who is also chairman of Standa, Fininvest's supermarket chain, was prepared "to clarify the events in question, as far as he remembered them".

Advisers say Mediaset is insulated from the probe into alleged falsification of accounts at Fininvest. Consob, the financial watchdog, is likely to decide next week whether to approve Mediaset's prospectus and clear the way for flotation this month.

US judge orders extradition

A US federal judge in Los Angeles yesterday ordered Mr Giancarlo Foscale to be extradited to France on an international arrest warrant issued against him a year ago. Mr Parretti was arrested in Los Angeles last October in response to the warrant, which alleges charges of abuse of corporate funds, forgery, fraud and deception in relation to the \$1.2m takeover of the MGM film studios which he orchestrated in 1990.

Mr Parretti bought MGM from Mr Kirk Kirkorian, the US financier, largely as the result of a loan from CLBN, the Dutch subsidiary of Credit Lyonnais, the French state-owned bank. Mr Patrick Fievet, the French investigating magistrate, began inquiries into the circumstances of the MGM deal, including charges against Mr Parretti, in 1991.

Hungarian managers dismissed

Hungary yesterday took the unusual step of sacking the entire management and supervisory boards of Antenna Hungaria, its national radio and television transmission company. APV, the state privatisation agency, said the decision would take effect immediately in the interests of the company's speedy privatisation.

Under a media bill passed last year, the company is supposed to extend its transmission capacity to support new private radio and TV stations. But this has been held up by delays in finding a strategic partner for Antenna and the company's own limited resources.

Japan soothes US on insurance

The Japanese government yesterday said negotiations would continue with the US over deregulation of the Japanese insurance market despite the two countries' failure to reach agreement by today's deadline.

US officials have indicated they will take tough action if Japan's powerful life insurance companies are allowed to handle accident insurance through subsidiaries. Washington would consider that to be a violation of a 1994 agreement, a US trade official said. The US had said many times that such a violation would require a "very serious response".

Doubts on HK growth target

Hong Kong's economy in the first quarter was up about 3 per cent on a year earlier, according to an official report. This cast doubt on the government's full-year target of a 5 per cent rise in gross domestic product.

Despite the relatively weak year-on-year figures in the opening period, Mr K.Y. Tang, government economist, said the 5 per cent target was being maintained.

Row over curb on China credit

US companies and several congressmen are protesting against a decision by the US Export-Import Bank not to finance sales to China's Three Gorges Dam out of concern for the project's environmental and socio-economic impact.

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PLO leader Arafat branded a 'murderer' and 'war criminal'

Likud's top officials bare their teeth

By Julian Ozanne in Jerusalem

Mr Ariel Sharon, a senior leader of Israel's rightwing Likud party, yesterday gave a chilling first glimpse of how a future government under Mr Benjamin Netanyahu, the party's leader, would deal with Palestinians.

In a long interview on Israel Radio, Mr Sharon, tipped as the country's next finance minister, said under no circumstances would he meet Palestinian president Yasser Arafat, whom he described as a "murderer" and "war criminal".

He also said Israel would not complete its long-delayed military withdrawal from the Israeli-occupied West Bank town of Hebron, a flash-point of Arab-Jewish violence. Under the "Oslo 2" peace accord, co-signed by the US, Israel committed itself to withdrawing from Hebron three months after Palestinian elections held last January.

Mr Sharon's comments came hours before Mr Netanyahu emerged as Israel's next prime minister after a final tally of outstanding ballots. Earlier, Mr Uzi Landau, a Likud member of parliament, also said a Netanyahu government would not withdraw from Hebron, where 415 Jewish settlers live in an Arab town of 110,000.

The first policy statements by senior Likud officials after the election provoked a furious response from PLO officials and advisers.

Mr Ahmed Tibi, adviser to Mr Arafat, said Mr Sharon, the former defence minister, who presided over Israel's disastrous 1982 invasion of Lebanon, was the real "child murderer" and warned that if Mr Netanyahu refused to withdraw from Hebron it would mark a violation of the peace agreements and open the way to confrontation.

Mr Ahmed Qurie, the Palestinian architect of the peace accords with Israel, said: "It is worrisome that Netanyahu will be surrounded by a team hostile to the peace process." The PLO, he said, rejected the

Likud election platform and if it was put into practice it would amount to a "coup d'état against peace", which would send the region back to "a state of tension and violence, maybe wars".

Political analysts said the sharp exchanges were reminiscent of the insult-trading during decades of Israeli-Palestinian conflict.

Mr Netanyahu has indicated he alone will set the policies of the next government. But Mr Sharon, who received the second highest number of votes in Likud party primaries in March, speaks for a wide section of the party.

He dropped his candidacy for prime minister and was critical in brokering an agreement between factions rightwing groups to join a united front behind Mr Netanyahu's candidacy.

Asked if he would meet Mr Arafat, the former general who was held indirectly responsible by an Israeli inquiry for the slaughter of hundreds of Palestinian refugees by Christian militiamen at Beirut camps in 1983, Mr Sharon said: "Arafat is a murderer that murdered intentionally, with premeditation, children, babies, women and elderly people. The most brutal acts of massacre that no nation in the world would forgive. Arafat, according to every criteria, is a war criminal... I will not shake the hand of this murderer."

Mr Sharon also said Mr Arafat indirectly supported Palestinian attacks recently carried out by extremist Islamic fundamentalists.

"We know exactly what his intentions are, what he used to do, how he acted. And in my opinion we absolutely must prepare for when he will continue to stand behind attacks."

On withdrawal from Hebron, Mr Sharon said Israel would maintain absolute control over the parts of the city settled by Jews. "Here, under discussion is a small part of the city, but a part in which Jews have lived for thousands of years. And the overall security responsibility will be in the hands of Israel."

Japanese golf courses land in the fough

The expansive lawn of the Tsukuba Tokyu Golf Club blends in neatly with the countless rice paddies and fruit orchards which dot the quiet university town where it is located at the foot of Mount Tsukuba, just north of Tokyo.

But the peaceful surroundings belie the unhappy fate the club has faced in recent years. More than a fifth of its corporate members have left as recession has taken its toll on costly corporate entertainment and the expensive personal lifestyles that were so popular in Japan during the years of the "economic bubble".

What is worse, Tsukuba Tokyu has had to pay out a total of nearly ¥2.7bn (\$25.71m) in deposit refunds to its former members and could be faced with demands for another ¥2.1bn in refunds over the next five years. The club paid out ¥800m last year alone and expects to shell out a similar amount this year.

But Tsukuba Tokyu is not alone. A large number of such clubs face membership cancellations from increasingly hard-up members. The total amount of refunds which will eventually come due will exceed ¥3.4bn, according to a ministry of international trade and industry survey.

That is more than the estimated ¥7,000bn in bad debts

incurred by the country's troubled housing loan companies, or *Jusen*. While it is unlikely the entire amount will have to be refunded, as many golfers will want to keep their memberships, Mr Seijiro Takayama, a lawyer who has worked with many golf clubs, estimates that between the years 2000 and 2003 refunds are likely to exceed ¥1,000bn a year.

The problem stems from the "bubble" years, when large numbers of companies went into golf club development. According to the MITI report, 80-100 clubs were opened between 1989 and 1991. More

than 70 per cent of the 1,954 golf clubs which responded to the MITI survey have memberships, and of these, 80 per cent could face demands for refunds from their members.

In the late 1980s, building a golf club seemed a solid business prospect, given Japan's golf-loving population. Many developers funded their club developments by selling memberships at astronomical prices, commonly as high as ¥50m (\$464,000).

To encourage prospective members, a large part of the membership fee was designated a deposit which could be

reclaimed after, typically, 5-15 years. In some cases, the deposit made up about 90 per cent of the membership fee.

For golf club developers, particularly newcomers, the system allowed them to collect the huge sums needed to develop courses in Japan, where land is prohibitively expensive.

Whereas in the US it takes about ¥500m to build a golf course, according to Mr Takayama, this figure rises to at least ¥10bn in Japan.

In the past, members seldom asked for their deposit back. While the Japanese economy was growing, golf club mem-

berships could usually be sold on at significant profits.

But now expensive memberships are no longer a corporate necessity and the number of members has plunged.

Many people bought memberships as an investment; in the dizzy "bubble" years these were even accepted by banks as a form of collateral.

But now, with Japan muddling through an uncertain recovery and membership prices unlikely to rise significantly in the near term, these speculators are demanding their deposits back.

Few people expect the clubs

to be able to repay in full. Mr Takayama believes that of the clubs which sprang up during the "bubble" years, only a handful will be able to pay back members' deposits.

Most clubs have no cash. What is more, about a third of developers are believed to have used membership funds to speculate on the stock market and elsewhere.

Several clubs have already been forced to file for bankruptcy and there is concern that more will collapse as deposit refunds come due.

Some clubs have asked members to accept repayment in instalments over several years, while others have split memberships so that members can sell part of them on the market - albeit at a significantly lower level than the original price - and still play at the club.

Most observers expect a bitter, drawn-out battle between clubs and their members.

Mr Takayama suggests the government could use part of its funds allocated to deal with the ageing of society to buy up troubled golf clubs and make them municipal clubs open to the public.

But given the distaste shown for government bail-outs, even the thought of playing golf on the cheap may not convince the Japanese public.

Michiyo Nakamoto

WOMEN JOB SEEKERS BOOST UNEMPLOYMENT

An unexpected rise in Japan's unemployment rate in April, to a record 3.4 per cent, is likely to reinforce the central bank's commitment to keeping interest rates low, writes William Dawkins in Tokyo.

Mr Takano Nagai, labour minister, yesterday said the job situation was still "severe", but attributed the rise, from 3.1 per cent in March, to a sudden growth in the number of women seeking employment in expectation of economic recovery.

Private sector economists were not disturbed and pointed out that employment tended to lag general economic growth, which is gathering pace according to housing and construction data released yesterday.

The jobless rate was stuck at 3.4 per

cent from November until January, before falling fractionally in the following two months. The overall jobless total rose by 2.5 per cent, or 210,000 people, to 2.55m in the year to April, according to the government's management and co-ordination agency. That was twice the annual rate of increase in March.

Within this, the number of women out of work rose by 60,000 from March to April, to a total of 320,000. The female jobless rate rose by one percentage point over the same period to a record 6.1 per cent.

But the young of both sexes remained the hardest hit, with unemployment among 15-24 year olds rising 0.6 percentage points over the year, to 7.2 per cent.

While the labour market remained

weak in April, there were signs of recovery. There were just 67 jobs available per 100 applicants, the same as the previous three months, but growth in new job offers accelerated sharply, from 2.6 per cent in the year to March to 12.6 per cent in the year to April.

Separately, the construction ministry said housing starts rose by 12.3 per cent in the year to April, the second consecutive monthly rise and the fastest growth rate in 22 months.

As economic activity picks up, deflation, a threat to the economic recovery last year, continues to recede, on the evidence of consumer price data published yesterday. Tokyo consumer prices - the earliest available - rose 0.2 per cent in May from the same month last year.

Leary's Internet home page announces his death

Timothy Leary, 1960s messiah of LSD, dies

By Christopher Parkes in Los Angeles

Timothy Leary, the 1960s guru whose formula for living - "turn on, tune in, drop out" - inspired despair and enlightenment in unequal measures, signed off yesterday.

"Timothy has passed..." his Internet home page announced in turquoise script on a black background.

Internet users, many of whom had been tapping in to his site each day to eavesdrop on his debates with death, yesterday discovered little enlightenment beyond a picture of the late Leary, 76, gaunt and grizzled, puffing unrepentant on a cigarette of uncertain provenance.

"I am developing methods and technologies to delay the ultimate onset of pain, coma, helplessness and indignity which await," he wrote in his last available personal commentary on his condition, dated May 16. "High-tech designer dying is occupying most of my time."

Although confined to a wheelchair by his cancer, and rendered "mellow and high" by a daily cocktail of prescription drugs and illegal substances, Leary reported himself in good spirits. "Probable cause: I treasure the moments of mobility, dexterity, friendship and mental clarity," he wrote.

His diet of "neuro-active drugs" may also have played a role. According to his final summary, his average daily intake of legal substances included 30 cigarettes, half a cup of coffee, one glass of white wine, half a glass of tequila and prescription painkillers.

This was topped off with

marijuana in the form of one Leary Biscuit (recipe censored) and one bong (pipe) hit, half a line of cocaine, 16 blasts of nitrous oxide and 0.15cc of psychedelic ketamina.

A former Harvard psychology professor, fired in the early 1960s for testing LSD on students, Leary spent much of his adult life tripping and bragging about his tolerance for drugs.

Starting out as the "Messiah of LSD", he evolved - with interludes as jailbird, fugitive and kidnap victim - to become chief dope dealer and darling to many American artists and society folk.

His cotarrie included drug-fazed pop stars, Hollywood hangers-on and writers such as Jack (On the Road) Kerouac, Allen (Howl) Ginsberg, William (Naked Lunch) Burroughs, and Aldous Huxley. He also had five wives.

Leary died in his sleep in his brave new world - a hilltop villa in California's Beverly Hills, home to the fabulously rich - having failed to fulfil two of his last ambitions.


In his final weeks he had discussed committing suicide in cyberspace, while logged on to the Internet.

He also contemplated having his head frozen after death, but reportedly dismissed that notion when he realised that, if revived, he would most likely spend eternity as the prisoner of scientists armed with clipboards.

Apart from his memory and his "turn on" mantra, Leary leaves behind a video film of his death, taken at his behest. Another final request, that his ashes be launched into space, is expected to be fulfilled in the autumn.

Windows 95

Useless offer.



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NEWS: UK

The EU crisis: Government's drive against 'mad cow' curbs to include blocking of measures which it supports

Ministers set to reject easing of ban

Baby milk companies welcome all-clear

By Caroline Southey in Brussels

Farm ministers of the European Union are likely on Monday to reject the European Commission's proposal for early removal of the ban on exports of beef by-products from the UK. Such a move would force the Commission to impose the measure unilaterally.

Seven countries voted against the proposal at a meeting of EU veterinarians 10 days ago. EU diplomats said there were no indications that the countries which voted then against easing the ban - Germany, Austria, Spain, Portugal, the Netherlands, Luxembourg and Belgium - would change their minds on Monday and vote to ease the embargo.

Many countries have not taken their final decisions yet, but there appear to be no indications that anybody will change their positions, a British official said. If the proposal is voted down by farm ministers early next week, responsibility for implementing it will fall to the Commission. "Obviously we would prefer the council to vote the measure through, but if they

do not we will fulfil our responsibility," a Commission official said. Separately, there was growing evidence that negotiations were well under way on a framework agreement under which the broader ban would be lifted. The two conditions laid down by Mr John Major, the British prime minister, as necessary preconditions to Britain ending its policy of non co-operation are a lifting of the by-products ban and a framework agreement on ending the wider embargo.

British officials said Mr Malcolm Rifkind, the British foreign secretary, was likely to present the outlines of a plan targeting areas where the ban could next be lifted to Mr Jacques Santer, president of the European Commission, when they meet in Brussels on Tuesday. Details of the framework agreement are being debated by British and Commission officials. Britain has proposed that one priority in the next phase of easing the embargo should be to give Britain the go-ahead to export to non-EU countries which are banned from re-exporting beef and beef products to the EU.

By James Fitz in London

Manufacturers of baby milk yesterday expressed delight that the European Commission had ended a week of frenzied speculation over the quality of their products by stating that they posed no risk to health. Having studied test results by the UK agriculture ministry on nine brands of formula milk, Commission researchers said there was "no reason" to anticipate any risk to babies consuming the products. The report has been passed to the 15 European Union governments, but none has so far expressed any concern over the issue, Commission officials said.

Non co-operation to be stepped up

By Caroline Southey in Brussels

Britain will step up its policy of non co-operation in the European Union next week, blocking decisions at three ministerial meetings including one proposal it has strongly backed in the past.

The earliest casualties of Britain's policy to block all decisions requiring unanimity in the Council of Ministers will be a meeting of economic and finance ministers and, separately, social affairs ministers on Monday. Policies likely to fall include measures to combat fraud in the EU and a proposal to make 1997 the "year against racism". More EU policies will be blocked on Tuesday when justice and home affairs ministers meet where all decisions require unanimity. The biggest decision to fall will be on Europol, the proposed EU-wide police force.

British officials said there were two, possibly three, decisions at the economic and finance ministers meeting which it would block. Mr Kenneth Clarke, Britain's chancellor of the exchequer, is expected to refuse to endorse measures aimed at stepping up the EU's campaign against fraud, even though Britain has campaigned for tougher action to stamp out misuse of EU funds. The proposal would have given the EU greater powers to

German states firm on curbs

The Bundesrat, the second chamber of the German parliament representing the country's 16 states, is expected to refuse to ratify a lifting of the ban on British beef derivatives even if the measure is forced through by the European Commission, Michael Lindemann writes in Bonn. Opposition among the states, or Länder, is an important obstacle for the federal government, making it impossible for Bonn to back any proposals to lift the ban, government officials said yesterday. In addition, Bonn still believes there is no conclusive scientific evidence suggesting that the ban on gelatine, tallow and semen should end.

Four of the states, including Bavaria and North Rhine-Westphalia, the two largest,

already operated bans on the import of British beef, a measure that is illegal under EU law and for which Germany was going to be sued at the European Court of Justice in Luxembourg. Several states likely to insist that the ban remains have influential farm lobbies hit badly by a fall in beef sales.

In the first week in March after the UK admission of a possible link between "mad cow disease" and a fatal human brain condition, beef sales in Germany fell by 70 per cent compared with a 37 per cent fall in UK beef sales. The matter is complicated by the fact that the Länder are angry at the way Mr Horst Seehofer, the health minister, has handled the negotiations about BSE.

European Investment Bank lend Asian and Latin American countries Ecu 250m (\$310m). However, EU officials said the proposal was still being challenged by other member states, particularly Spain which considered the sum too small and was pressing for an envelope of Ecu 410m.

EU officials said a decision on VAT on cut flowers, the centre of a dispute between Belgium and the Netherlands and cited by British officials as an example of "transacting certificates" so that they can be understood in different member states and agreeing that the Commission should continue to produce reports on the EU's demographic make-up annually.

Other decisions likely to fall covered proposals on encouraging the participation of women in top jobs, simplifying training certificates so that they can be

block, would also not be ready for a vote. But a range of substantive business which will not be affected by Britain's policy, including preparations for the heads of state summit in Florence on June 21 and 22.

The ministers will be given a report from the monetary committee on the relationship between the "ins and outs" monetary union and the Germany's proposal for a stability pact aimed at ensuring that pressure is kept up on countries to maintain monetary policy once they have entered ERM.

Although firm decisions on monetary union are not expected at the summit, the heads of state are due to consider the committee's interim report before passing it back to the ministers. At the social affairs meeting, British officials said four decisions would be blocked. Mr Eric Forth, minister for education and training, would prevent agreement on the EU highlighting problems of racism by designating 1997 as a "year against racism". British officials said the UK did not oppose the idea in principle, but would vote against it as part of the non co-operation policy.

Other decisions likely to fall covered proposals on encouraging the participation of women in top jobs, simplifying training certificates so that they can be



Kenneth Clarke, chancellor of the exchequer, seen here admiring British beef in a supermarket, yesterday supported criticism by European Commission president Jacques Santer of UK press coverage of the beef crisis. "Quite a lot of the press is owned and edited by anti-European people," said Mr Clarke.

understood in different member states and agreeing that the Commission should continue to produce reports on the EU's demographic make-up annually. "Britain thinks these have been useful in the past and that it would be useful to continue to produce them. But the prime minister's statement will apply and we will block it," said one UK official.

UK NEWS DIGEST

Doubts on Facia future deepen

Doubts about the future of Facia Group, the UK's second largest privately owned retail chain, increased last night after Sears, Britain's largest specialist retailer, moved to have Facia's shoe companies put into administration. Sears said that Facia, chaired by Mr Stephen Hinchliffe, had failed to convince it that it could "adequately refinance and discharge its outstanding and ongoing debts to Sears". The company said that it expected a ruling on its petition next week.

Sears also announced that it expects to make a provision of £20m (\$30m), on top of an earlier provision of £12m, to cover the cost of properties it had planned to sell to Facia and others, rent due from Facia, and stock it has supplied to Facia. Facia's 850 speciality outlets include Freeman Hardy & Willis, Trustrum and Contessa which were sold to it by Sears. Last night Facia refused to comment on the move by Sears and also refused to state what percentage of its overall business the shoe shops represent.

Sears said that its move followed the announcement by the Department of Trade and Industry that it would be commencing directors' disqualification proceedings against Mr Hinchliffe and Mr Christopher Harrison, another Facia director, in connection with the collapse of a company they had controlled shortly before its failure.

Separately, it emerged yesterday that the chief executive officer of the small US company attempting to take over Facia is a bankrupt. Mr Bill Grosvenor, chief executive officer of Texas American Group, said he had been declared bankrupt in the UK in October 1994. TAG is on the bulletin board of the Nasdaq exchange, but Mr Grosvenor said that legal advisers had informed him that being bankrupt "does not stop me being an officer of an American company".

On Wednesday TAG said it had "entered into an agreement to acquire the assets and liabilities of Facia". However Facia has denied this, and the company reiterated yesterday that it "has been talking to a number of people". TAG will be filing accounts in the US "within days" he said, although Nasdaq does not require it.

Spending recovery accelerates

UK consumer credit

Consumer credit reached its biggest rise for 7½ years last month, providing a strong signal that the recovery in consumer spending is gathering pace. After taking account of seasonal movements, consumer borrowing rose by a net £1.01bn (£1.58bn) from banks and other lenders in April, compared with £722m in March. The Bank of England said yesterday. The increase, which far exceeded City of London expectations, was the highest rise since current official records began in April 1993. The Bank said other unofficial estimates indicated it was the largest increase since autumn 1988.

The figures suggest consumers may be borrowing increasingly more to spend on retail goods and on services. But some in the City cautioned that the pick-up in borrowing may be due to attractive credit packages and may not necessarily translate into an increase in consumer spending. The figures will nevertheless be seized upon by Mr Kenneth Clarke, the chancellor of the exchequer, as support for his view that rapid consumer spending growth will be the linchpin of the broader economic expansion this year.

Graham Bowley, Economics Staff

Election fever discouraged

Mr Kenneth Clarke, chancellor of the exchequer, damped speculation over an early general election by insisting that economic recovery would eventually translate into political support for the governing Conservative party. Following the publication of strong consumer credit figures, Mr Clarke claimed that consumer confidence had recovered to the level at the last general election and predicted that the trend would continue.

"The date of the general election is up to the prime minister, but the longer he delays it the better the economy will be," he said. Mr Clarke's comments will discourage speculation that the government might be tempted to call an early election on the back of its campaign of non co-operation with the European Union over the beef crisis.

Recent opinion polls suggest that this had done nothing to improve the Conservative party's electoral chances. Strategists in the party believe its best chance is to hold on and hope that the "feelgood factor" in the population revives. Mr Clarke yesterday predicted a steady improvement in the economy over the next 12 months and said his task was to convince voters it was sustainable. "The more I can reassure people that the present recovery is going to strengthen and is healthy and sustainable, the more people will have their trust restored in the direction we are going."

David Wighton, Westminster

IT investments questioned

Only a quarter of younger managers believe their companies get value for money from their investment in information technology, according to a survey by Mori, the research company. The research, based on interviews with IT managers, chairmen and managing directors, found significant differences in attitudes towards IT between different age-groups of senior managers.

Managers who had reached senior positions by the age of 44 were far more critical of their company's investment in IT than their older counterparts. "In the future, we may expect IT to be driven more from the top, rather than being pushed forward by IT managers against top-level inertia," the study says. The study was commissioned by Management Today and Computer Associates, a software company.

Venessa Houlder, Technology Staff

Sinn Féin steals the election show

By John Kampfrer and John Murray Brown in Belfast

Once again, despite being only the fourth largest party in Northern Ireland, Sinn Féin stole the show. As the final results were announced last night in elections that will pave the way for all-party talks, the political wing of the Irish Republican Army was given a reinforced mandate to present the republican case in negotiations that could determine the region's future.

For Mr Gerry Adams, the party's president, the outcome was a personal triumph. Whether, however, the outcome will lead to an IRA ceasefire remains to be seen. Two alternative conclusions could be drawn from Sinn Féin's strong showing: that it will strengthen Mr Adams's hand in demonstrating to his people that the political process can still reap dividends, or that it could be seen as vindicating the hardline stance that led to a resumption of violence.

Some in the moderate Social Democratic and Labour party, whose dominance of the nationalist vote was challenged as never before, offered a positive interpretation. Mr Eddie McGrady, SDLP MP for South Down, where Sinn Féin increased its vote by 9 per cent, suggested that some of his party's traditional support-

Northern Ireland results

Table showing election results for various parties in Northern Ireland, including Sinn Féin and the SDLP.

ers had changed allegiance to "support the dove against the hawk" within the republican movement. "It's a one-off gift, which I hope they use wisely," Mr McGrady said.

However, others in the SDLP were less generous in explaining Sinn Féin's rise. Mr Joe Hendron, an SDLP MP who was resoundingly beaten in west Belfast and who may struggle to hold the seat in the next general election against Mr Adams, said there had been "massive vote-stealing" by Sinn Féin.

Northern Ireland results

Table showing election results for various parties in Northern Ireland, including Sinn Féin and the SDLP.

government, the elections proved a mixed blessing. For all the predictions of apathy, turnout was surprisingly good and only slightly down on general election norms. The province's 1.2m voters did not seem deterred by the failure to find a venue for the 110-seat forum and confusion about its purpose.

On the other hand, UK ministers will come under intense pressure over the next week as the June 10 date for the start of the talks nears to allow Sinn Féin into the talks regardless of a ceasefire announcement. On the face of it, the returns were a rebuff to the forces of moderation. The Alliance, the only significant non-sectarian party, saw its share of the vote drop slightly. The Women's Coalition, a cross-community group borne out of the "peace people" of the 1970s, did less

well than some had predicted. However, it ended in ninth place ensuring seats at the negotiations.

There was little evidence of the two communities breaking out of their tribal allegiances. The pro-British unionists, however, suffered considerably from what they called the "shredding" of their vote between several anti-nationalist parties.

The two fringe anti-nationalist "loyalist" parties, fronted by former paramilitaries who now advocate moderation and conciliation, did not achieve their goals of being directly elected into the forum. However, under the complicated system introduced by the government, they will nevertheless be "seated" by Mr Kenneth Clarke, the chancellor of the exchequer, as support for his view that rapid consumer spending growth will be the linchpin of the broader economic expansion this year.

David Wighton, Westminster

Pagoda-style complex is testimony to Asian success

By Richard Wolfe in Birmingham

At first sight, the pagoda-style office complex standing close to the Spaghetti Junction motorway interchange in Birmingham could be mistaken for the headquarters of the latest inward investor from the Pacific Rim. The newly-built mixture of Thai and Chinese architecture hardly blends with its bleak industrial surroundings in the second largest city in England.

But the 1ha complex - soon to house a business community of Chinese bankers, lawyers and accountants - is a sign of the rapid growth of thousands of small UK ventures.

The complex is the latest venture of Mr Wing Yip, whose food distribution business - Wing Yip - has more than doubled from sales of about £25m 10 years ago to a turnover of more than £60m (\$91.2m) last year. With four warehouses across the country, each supplying up to 2,000 Chinese restaurants, Mr Yip's food centres highlight the growing taste for ethnic food and the increasing financial importance of Britain's Asian communities.

Centred on the flourishing ethnic food industry, the UK's Asian enterprises have moved within a generation from the back streets of inner city Birmingham to the mainstream of international trade.

According to Sharwood, the market leader in ethnic foodstuffs, the growth in sales for the whole UK market has been in double digits since the mid 1980s. The market in ethnic foods for home cooking - including Indian, Chinese and Thai - is worth £1.2bn a year in the UK.

The growing size of the market was highlighted this year when Patak Spices, a manufacturer of Indian food based in north-west England, linked with Hormel Foods of the US to distribute its products in north America. In the Birmingham area alone, two companies - East End Foods and ETC Edibles - specialising in Indian food processing and distribution account for estimated annual sales of up to £100m. KTC employs about 150 people and produces 1,200 tonnes of oils and fat products. It delivers to more than 2,000 points across the UK.

proved an embarrassment to some communities, which have preferred to keep a low profile. Mr Derek Shelat, manager of the Institute of Asian Businesses in Birmingham's chamber of commerce, said: "There is a natural reticence among Asian businessmen. You do

'People would ask if we had telephones and buses at home; today you cannot listen to the news without hearing about the Pacific Rim'

not want your competitors to know that you are doing well. And then there is the element of the authorities. Often people do not want them to take a look into their lives when they have not done so in the past." For Mr Yip, the public attention is an ironic reversal of the attitudes

which he encountered as an immigrant to Britain from Hong Kong in the 1960s. After starting as a waiter, he struggled to gain a bank loan to support his first restaurants in the eastern England city of Ipswich. "The bank manager said there had been an Italian and a French restaurant which had both come and gone. He asked why my restaurant would be different. I said Chinese restaurants had flourished in the US for 100 years, but he had never been to the US and did not even understand that."

"Back then people would ask if we had telephones and buses at home. Today you cannot listen to the news without hearing about the Pacific Rim."

Finance remains a source of resentment among Asian businessmen, who still believe that they suffer harsher treatment from banks compared with other small entrepreneurs. Mr Omkar Parmar, who founded the Institute of Asian Businesses in Birmingham, said: "There is still prejudice in banks. People think they do not get the same deal, and for the Afro-Carib-

bean businesses it is even worse." But the growth of the ethnic food industry - as well as the desire to trade with Asian companies - seems to have altered the establishment's view of the sector. Today the West Midlands Development Agency tries to woo inward investors by highlighting the number of Chinese-speaking professionals in the region. Councils are keen to support ethnic businessmen who can provide new jobs in inner city areas.

In particular, the region hopes its links with the Far East will attract Hong Kong businessmen before next year, when the colony reverts to Chinese control. Food distributors such as Mr Yip are turning their attention to exports, supplying western foods such as frozen meats to the Far East.

"Chinese students now come to Birmingham to study how to present their own food in a western way," he said. "Their living standards are improving and they are seeking different food. The east is getting more western and the west is getting more eastern."

WEEKEND BUSINESS

Weekend Business advertisements including Personal Coach, Partnership, Guest House, and various software services.

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FINANCIAL TIMES

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Your co-operation is very much appreciated. Please remember no stamp is needed.

Yours sincerely,

PETER HIGHLAND
RESEARCH DIRECTOR

PART I - ABOUT THE FT

1. How often do you normally read or look at
- a. The Saturday Financial Times? (both section I and II)
b. Monday-Friday issues of the Financial Times?
- | | a. Saturday
Financial Times | b. Monday-Friday
Financial Times |
|---|--------------------------------|-------------------------------------|
| Always/almost always | <input type="checkbox"/> | <input type="checkbox"/> |
| Quite often | <input type="checkbox"/> | <input type="checkbox"/> |
| Only occasionally | <input type="checkbox"/> | <input type="checkbox"/> |
| This is the first time of reading the Saturday FT | <input type="checkbox"/> | <input type="checkbox"/> |
| Never | <input type="checkbox"/> | <input type="checkbox"/> |

2. On what day(s) of the week do you
- a. normally receive the Saturday FT?
b. normally read the Saturday FT?
- | | a. Receive Saturday
Financial Times | b. Read Saturday
Financial Times |
|---|--|-------------------------------------|
| Saturday | <input type="checkbox"/> | <input type="checkbox"/> |
| Sunday | <input type="checkbox"/> | <input type="checkbox"/> |
| Monday | <input type="checkbox"/> | <input type="checkbox"/> |
| Tuesday or later | <input type="checkbox"/> | <input type="checkbox"/> |
| Don't normally read Saturday FT (you may tick more than one day) | <input type="checkbox"/> | <input type="checkbox"/> |

3. Where do you normally read the Saturday Financial Times?
- At home
At work
When travelling
Don't normally read Saturday FT
(tick all that apply)

4. How do you normally obtain copies of the Saturday Financial Times?
- Subscription to my home
Subscription to my office
Delivered by newsagent
Bought from news-stand
Personal office copy
Circulated office copy
Friends' copy
Given to me by airline
Given to me by hotel
Given to me by car hire company
Other (please state _____)
(tick more than one if appropriate)

5. How many other people normally read your copy of the Saturday Financial Times?
- a. at home?
b. at work?
- | | a. At Home | b. At Work |
|-------------|--------------------------|--------------------------|
| 1 other | <input type="checkbox"/> | <input type="checkbox"/> |
| 2 other | <input type="checkbox"/> | <input type="checkbox"/> |
| 3-5 other | <input type="checkbox"/> | <input type="checkbox"/> |
| more than 5 | <input type="checkbox"/> | <input type="checkbox"/> |
| Don't know | <input type="checkbox"/> | <input type="checkbox"/> |

6. The International edition of the Saturday Financial Times regularly contains two sections
Section I News
Section II Leisure Interests and Weekend Investor ('Weekend FT')

- a. How often do you read each section?
b. Which section do you usually read first?
c. Which section do you tend to spend more time reading?
- | | Section I | Section II
(Weekend FT) |
|---|--------------------------|----------------------------|
| a. When I read the Saturday Financial Times I read this section | | |
| always | <input type="checkbox"/> | <input type="checkbox"/> |
| sometimes | <input type="checkbox"/> | <input type="checkbox"/> |
| never, normally | <input type="checkbox"/> | <input type="checkbox"/> |
| b. I read this section first | <input type="checkbox"/> | <input type="checkbox"/> |
| c. I spend longer reading this section | <input type="checkbox"/> | <input type="checkbox"/> |

7. Which subjects do you read about in the Saturday Financial Times?
- | | Usually
read | Sometimes
read | Never
read |
|-----------------------------------|--------------------------|--------------------------|--------------------------|
| Section I | | | |
| Front page news | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| European news | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Other international news | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| UK news | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Editorial comment | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Editorial page feature | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| International companies & finance | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Letters to the Editor | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| UK companies | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Commodities & Agriculture | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Currencies | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Managed fund prices | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| World stock markets | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| London Stock Exchange | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| London Share Prices | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Lex column | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Weather guide | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Section II ('Weekend FT') | | | |
| Front page feature | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Joe Rogaly | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Food & Drink | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Fashion | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Property | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Book Reviews | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Arts | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Travel | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Sports | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| International Arts Guide | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Chess | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Bridge | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Crossword | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| James Morgan | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Interview | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| How To Spend It | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Gardening | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Peter Aspden | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Weekend Investor Wall Street | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| London | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Barry Riley | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

8. Do you have preference between the Saturday Financial Times and the Monday-Friday Financial Times?
Which of these statements comes closest to your views?
- I prefer the Saturday FT to the Weekday FT
I prefer the Weekday FT to the Saturday FT
I like both equally
I only know the Saturday FT
I only know the Weekday FT
9. It would be possible to distribute Section II of the Saturday paper, the "Weekend FT", either with the Friday Financial Times or with the Saturday Financial Times. Which arrangement would you prefer?
- "Weekend FT" with Friday paper
"Weekend FT" with Saturday paper
"Weekend FT" in both Friday and Saturday papers
Does not make any difference
Don't know

PART II - ABOUT YOU

10. Are you ... ?
male
female
11. Are you ... ?
under 25
25-34
35-44
45-54
55-64
65+
12. Are you ... ?
working full time
working part time
retired
running the home full time
studying full time
unemployed
other
13. What is your country of residence? _____
14. What is your country of citizenship? _____
15. What is the principal activity of the organisation for which you work (or used to work)? _____
16. Which describes the position you hold (or held)?
- | | | | |
|--|--------------------------|-------------------------------|--------------------------|
| Owner/partner | <input type="checkbox"/> | Middle Manager | <input type="checkbox"/> |
| Chairman/President/CEO/Managing Director | <input type="checkbox"/> | Consultant | <input type="checkbox"/> |
| General Manager | <input type="checkbox"/> | Junior Executive | <input type="checkbox"/> |
| Finance Director | <input type="checkbox"/> | Technical specialist/Engineer | <input type="checkbox"/> |
| Director/Vice President | <input type="checkbox"/> | Civil servant/Diplomat | <input type="checkbox"/> |
| Department Head | <input type="checkbox"/> | Other | <input type="checkbox"/> |

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COMPANIES AND FINANCE

Schering to control E German drugmaker

By Judy Dempsey in Berlin

Schering, the German pharmaceuticals company, is set to expand its fertility and hormone division after announcing yesterday it was buying a 74.9 per cent stake in Jenapharm, eastern Germany's only profitable pharmaceuticals group. Jenapharm is owned by Gehe, the Stuttgart-based pharmaceutical wholesaler.

The decision by Gehe to reduce its stake to 25.1 per cent and transform Jenapharm into a jointly-owned company with Schering is regarded as a strategic alliance with considerable benefits for both sides.

Schering will take over managerial

control of Jenapharm, assuming the venture obtains approval from both supervisory boards and the European Commission.

Schering, which had long eyed Jenapharm after it was placed under the Treuhänder privatisation agency in 1990, but which had seen it snapped up by Gehe in 1991, yesterday said the Stuttgart-based company would complement its fertility and hormone division.

This division last year accounted for 31 per cent, or DM1.4bn (\$820m), of Schering's total turnover, which amounted to DM4.64bn. Net profits were DM249m. "This deal will definitely strengthen the hormone division, par-

ticularly fertility control, and there will be synergy effects," Schering said.

Gehe, which over the past year has expanded outside Germany through acquiring AAE, the UK drugs wholesaler, and is now locked in a bid battle over Lloyds Chemists of the UK, has invested more than DM100m in Jenapharm since 1991. Last year, Jenapharm reported net profits of about DM200m on sales of DM212m. Gehe reported a 31 per cent rise in its net profits for 1995 on sales of DM19.3bn. Profits reached DM212m and were boosted partly by the consolidation of AAE into Gehe's group results for nine months.

Despite, or indeed because of, grow-

ing sales at Jenapharm, Mr Karl Eich, Gehe's finance director, yesterday said his company was faced with a major decision about the future strategy of both Jenapharm and the mother company.

"We have no Europe-wide marketing structure. We had to decide whether to build one or seek a partner to market Jenapharm's products. We wanted to internationalise it," said Mr Eich. He added that they had looked around for partners for some time, but Schering always seemed the obvious one, given the complementarity of its products and Schering's strong marketing infrastructure. "I think this strategic alliance will work well," added Mr Eich.

KHD is upbeat on survival prospects

By Michael Lindemann in Bonn

Klöckner-Humboldt-Deutz, the German engineering group facing bankruptcy after the discovery of losses of DM560m (\$424m) last week, yesterday said it was "making good progress on a rescue bid".

However, the package of unspecified measures designed to offset the losses will have to be approved by a consortium of about 30 banks, headed by Deutsche Bank, which is due to meet in Frankfurt next Wednesday.

The group's non-executive supervisory board, chaired by Mr Michael Endres, a board member of Deutsche Bank, met yesterday at the bank's headquarters in Frankfurt-Deutsche Bank, which owns 47.7 per cent of KHD, refused to comment on any details of the rescue package.

As Germany's biggest bank, Deutsche is sure to have a degree of leverage over the other banks in the consortium but it remained unclear last night whether the rescue package would be approved.

The same consortium had to put together a DM519m rescue bid for KHD last January and it is not certain what long-term prospects there are for the company, which would continue to face high German labour costs.

Analysts have suggested it would be better to let KHD, one of the oldest and best-known names in German engineering, go bankrupt and then build up textile services to 75 per cent of business in the next three years.

This would cut the contribution of retail - from 50 per cent to 25 per cent.

"Textile services offers us better growth prospects," said Mr Jackson.

The 1-for-3 issue is priced at 105p a share. The group's shares fell 8p to close at 118p yesterday.

Textile services includes workwear, rental contracts - where the group typically supplies and cleans overalls - hotel linen cleaning and laundry for British Airways.

The rights proceeds will help the group fund large up-front investments on new commercial contracts. Investments will also be made in new Sketchley dry-cleaning stores as leases on some existing sites expire.

Problems with the retail side dragged Sketchley to a £3.5m pre-tax loss in the year to March 31. It had made a pre-tax surplus of £5.4m a year earlier.

The main hit was a £7.5m exceptional charge to cover the closure of 180 loss-making branches. But operating profits also fell from £7.9m to £5.9m after a 25 per cent drop in sales during last summer's heat wave.



John Jackson: "Textile services offers better growth prospects"

Sketchley seeks £21.6m to finance refocus

By Christopher Brown-Humes

Sketchley, the dry-cleaning group, launched a £21.6m rights issue yesterday to cut debt and shift business focus.

Mr John Jackson, chief executive, said the group wanted to build up textile services to 75 per cent of business in the next three years.

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Sketchley has already closed 130 stores out of the 160 target, and said its remaining 580 branches are well positioned. It expects to generate significant new business through an exclusive deal with J Sainsbury to open dry-cleaning outlets in supermarkets.

Mr Jackson said the current year had started well, with retail like-for-like sales up between 4 and 5 per cent, and textile services up 6 per cent. "Discretionary spending has started to come back," he said.

An unchanged final dividend of 2.4p gives a total of 3.5p, up 0.1p.

COMMENT

After a spell in the dry cleaners, Sketchley's dirty stains in the form of 180 loss-making shops have now largely been removed. So yesterday was a good time to take the spruce-up a stage further with a rights issue that enables the group to move from defensive to offensive mode. Whereas the old expansion strategy would have emphasised acquisition, the new mantra is organic growth. This is a change for the better. Everything is in place for a recovery, with expansion through Sainsbury stores and higher discretionary spending - if sustained - adding to the growth it should get from textile services. But shareholders have heard the new management, new strategy story enough at Sketchley over the last 15 years to remain wary. The shares may struggle to make progress in the short term.

Clondalkin buys Dutch group for £40m

By Jane Martinson

Clondalkin, the Dublin print and packaging concern, is set to buy Van der Windt, the Dutch packaging group, for £104.5m (\$140m) from NV Koninklijke, a Dutch public company.

The group said the acquisition, its largest to date, would be earnings enhancing immediately and would strengthen its position in the European flexible packaging market.

Clondalkin shares, listed on the London Stock Exchange, rose 20p to 485p yesterday.

Van der Windt, which manufactures and distributes packaging materials for markets, chiefly in the Netherlands, Germany and Belgium, is set to provide some 40 per cent of the Irish group's sales and profits.

Clondalkin manages flexible packaging operations in Ireland, the UK, the Netherlands, Switzerland and the US. It said that expansion in Europe would "complement existing operations and provide greater balance in terms of foreign currency, investment and earnings potential".

Van der Windt made a pre-tax profit of £119.4m on sales of £1.96bn in 1995. The deal will add 870 employees to Clondalkin's total of 2,644.

Last year Clondalkin lifted pre-tax profits 22 per cent to £18.5m, helped by the first full-year contributions from Vaseu in the Netherlands and Nyco in Switzerland. Clondalkin also bought Boxes, a UK folding carton manufacturer, in September for £15.7m.

Under the latest deal Clondalkin will repay Van der Windt debt, estimated at less than £150m. The Irish group's net debt at the year end was £225.4m, giving gearing of 58 per cent. After the deal the group said its interest cover would be more than 10 times.

Clondalkin expects the restatement of the Dutch group's fixed assets at acquisition to lead to "a significant increase".

Siemens in Pta14bn Amper deal

By David White in Madrid

Siemens of Germany expects to triple its business in the Spanish telecommunications equipment sector as a result of an agreement signed yesterday with Spain's Amper group, an important supplier to the national telephone company Telefonos.

Siemens said the first stage of the deal would involve payment of almost Pta14bn (\$106m), its largest investment in Spain to date.

The agreement, reached after long negotiation, includes the purchase by Siemens of an 80 per cent stake in the Spanish company's public telephone

subsidiary, Amper Elasa, with an option to acquire the other 20 per cent. Siemens said it would strengthen the Spanish unit's export activity and make it the focus for developing, producing and marketing public telephones worldwide.

At the same time, the German group is taking a 10 per cent stake in Amper Datos, which specialises in data network systems, with the idea of possibly expanding its participation to 30 per cent in future. The initial shareholding is seen as a tactic to prevent another competitor from moving in.

A third leg of the agreement, still to be concluded, involves

bringing the operations of the Spanish company's Amper Telefonica subsidiary, which makes terminals and small exchanges, into a joint venture with Siemens' telecoms network activities in Spain. The joint unit, to be called Siemens Telecomunicaciones Espana, is to be 65 per cent controlled by the German group, with Amper holding the remaining 34 per cent.

This part of the deal, expected to involve a further investment by Siemens of about Pta2bn, awaits the outcome of a labour dispute at Amper Telefonica which is in the hands of a Madrid court. Amper, floated on the stock

market 10 years ago after a rescue operation carried out by Telefonos, has returned to profit in the past two years after suffering heavy losses. Its net earnings climbed from Pta900m in 1994 to Pta2.71bn last year on sales rising from Pta1.21bn to Pta4.05bn.

The deal follows a preliminary understanding between the two companies in July last year. Siemens said the agreement would enable it to build up its position among the main suppliers of telecommunications in Spain. It expected its turnover in the sector to reach Pta350bn within two to three years, three times the current volume of business.

HSBC shareholders approve bonus scheme for executive directors

By Simon London

Shareholders in HSBC Holdings have approved a controversial bonus scheme for the banking group's executive directors, despite the opposition of some institutional investors.

The scheme enables directors to receive bonus shares valued at up to four times their annual salaries if earnings performance targets are met.

Some shareholders argued that the potential rewards were excessive and the target - 2 per cent real earnings growth averaged over four years - was too low.

Mr Stuart Bell of the Pensions and Investments Research Consultancy (Pirc), which advises pension funds, told yesterday's annual meeting that the scheme rewarded executives for "adequate but not outstanding performance".

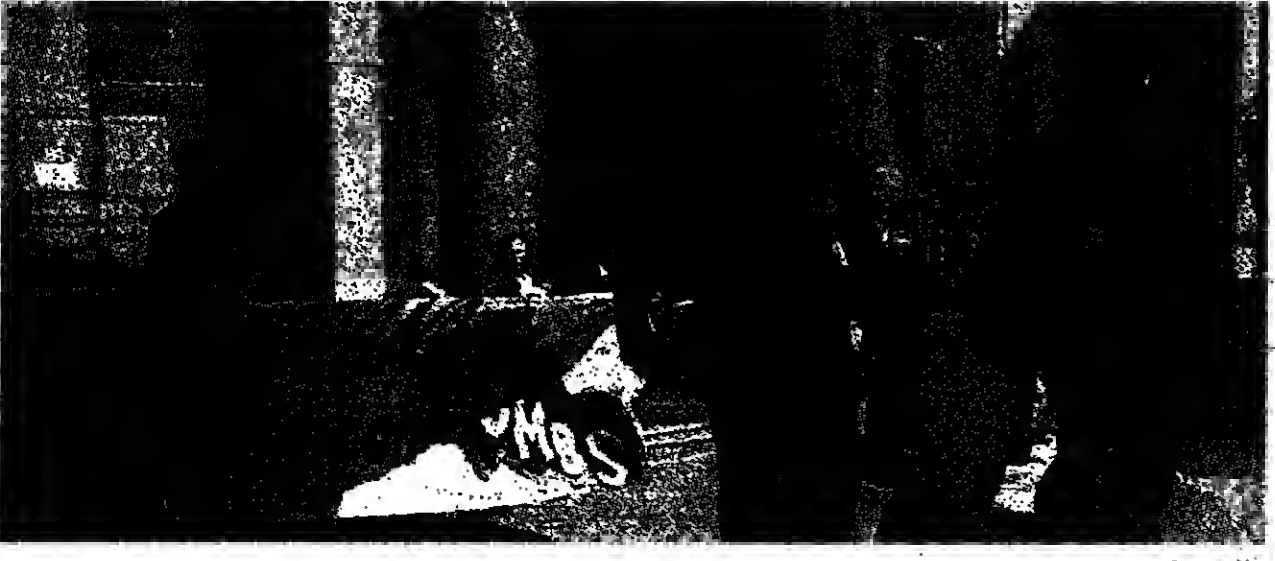
He added that the group's remuneration committee had excessive powers to alter the rules of the scheme in future years. Pirc advised its clients to vote against the scheme.

However, HSBC received proxies in respect of 430m shares in favour of approving the scheme. Proxies representing 85m shares were against. Sir William Purves, chairman, told the meeting that

four times annual salary was a theoretical ceiling and that rewards were expected to be much lower.

In practice the group envisaged granting bonus shares equivalent to up to 25 per cent of annual salary if performance targets were met, he said.

Many companies are introducing similar long-term incentive plans at the suggestion last year of the Greenbury committee on executive pay.



Demonstrators supporting the Lloyds and Midland Boycott Campaign were dragged out of the HSBC annual meeting yesterday

RBS holding in Spanish bank raised to 4.9%

By Geoff Dyer

Royal Bank of Scotland has exercised options to purchase a further 1.04m shares in Banco Santander for £21m, taking its stake in Spain's largest banking group to 4.94 per cent.

RBS has had the options since 1988, when it entered into a business alliance with Santander, which in turn has a 9.89 per cent stake in the Scottish bank.

The latest purchase, which RBS said would probably be the last, means that it has spent nearly £180m on Santander shares since last December.

RBS said the investment was designed to cement its relationship with Santander and would have a negligible impact on earnings.

The two banking groups also have an alliance in Portugal and in the Iber cross-border payments system.

Acquisitions lift Residential Property

Helped by the acquisition of PEL Group in January, Residential Property Trust, the residential property management company, achieved a jump in pre-tax profits from £296,768 to £2,583,819 in the year to March 31.

Mr Stuart McDonald, chairman, said it would continue to seek opportunities to grow organically and by acquisition.

Turnover rose to £2.58m (£769,792) of which £589,705 came from acquisitions.

The board is proposing to change the company's name to RPT Management Services to reflect its activities.

Predators eye the smaller fry

The mutuals which still exist are seeking ways to protect themselves, writes Motoko Rich

The formerly stolid building societies sector has undergone an unprecedented amount of change in the past 18 months. But for all the excitement that has attended the announcements of conversions, mutuality packages and chief executive outings, the activity has focused primarily on a handful of the UK's 76 building societies - all in the top 10.

The small and medium size societies, from the tiny West Cumbria to the 18th largest West Bromwich, are beginning to attract public attention, however.

Last month, the Building Societies Association conference became a frenzied rumour mill as it emerged that Birmingham Midshires, the UK's 10th largest, had suggested a merger with West Bromwich, the 18th largest.

Although West Bromwich repelled Midshires' approach, Midshires may be scrutinising the sector for other opportunities.

"Industry predators are looking at smaller societies because they have run out of bigger ones to look at," says Mr Rob Thomas, analyst at UBS. "The smaller societies will form the epicentre of the next set of changes to hit the industry."

Undoubtedly, there will be more deals. "There has been about a 10 per cent reduction in the number of societies per annum throughout the century," says Mr David Anderson, chief executive of the Yorkshire Building Society. "There will be further consolidation as some societies decide they could offer their members more by combining with another society."

Two societies which have recently embarked on this route are Stroud and Swindon, which took over City & Metropolitan in April, and Cumber-

land Building Society, which will complete a takeover of West Cumbria in October.

While industry pundits have speculated that some of these merged societies could follow the Halifax, which merged with Leeds Permanent to become a bank, Mr Thomas says that is improbable. "The extra bulk you would get by putting any of the two that remain together would not be substantial enough," he says.

The remaining societies believe their former allies represent the greatest threat to their future: they see the new banks facing stock market pressure to grow by acquisition

"The biggest you would get would be something roughly the size of National & Provincial," N&P, the seventh largest society, succumbed to a takeover by Abbey National in April.

Mr Adrian Coles, director-general of the Building Societies Association, says the smaller societies do not represent a plundering ground for the banks. "Most of the smaller players are so small that it is not worth it for the big institutions to buy them."

Nevertheless, the industry has been pressing for changes to draft legislation to end the protected status of societies which convert into banks. These societies are protected for five years from hostile take-

over - but are free to launch takeovers.

The remaining societies believe their former allies represent the greatest threat to their future: they see the new banks facing stock market pressure to grow by acquisition.

Many of the smaller societies are determined to remain mutual. Several have demonstrated their commitment by offering mutuality packages,

cutting their own margins to deliver better rates to borrowers and savers.

Those who have not - including Birmingham Midshires, Portman, the UK's 12th largest, and Chelsea, the 18th biggest - have become the subject of some speculation about their future as mutual societies.

Chelsea says it is not interested in mergers or conversion. "We think the best way to demonstrate the benefits of being a building society is to offer the best products," says Mr Darren Stevens, corporate affairs manager.

Some say the mutuality packages will have to be softened anyway. "Several of those who have announced discounts

will halve their profits and their capital strength will start to dilute and their cost-income ratios will get worse," says Mr Andrew Messenger, chief executive of West Bromwich. "So they will have to pull back their discounts and widen their margins again."

However, banks will also need to charge higher rates to maintain profits, so the rates offered by the mutuals are likely to remain attractive.

Still, mutuals need to deliver robust performances for their members. "Mutuality has been used as a cover-up for inefficiency," says Mr Messenger. "Mutuals have to be really efficient and profitable, and then give some of those profits back to members."

The demutualisation of Northern Rock and Bristol & West one by conversion, the other by takeover, earlier this year, reinforced the fear that the mutuals could fade into an old-fashioned niche.

But the remaining mutuals believe that niche is vital. "If the sector is destroyed, competition will disappear, and the very availability of some products could be open to question," says Mr Anderson. "Whereas banks are not required by law to provide mortgages, or even retail savings facilities, building societies are."

The smaller societies believe this is where their future lies. "We have to focus on our core mortgages and savings," says Mr John Thomson, deputy chief executive of the Coventry Building Society. "A regional building society does not have the resources to have a full range of financial service products. As a sector we cannot be all things to all men."

The Financial Times plans to publish a Survey on Spain

on Monday, June 24.

The survey will focus on the policies of the new administration ● The challenge faced by the country of monetary union ● Spain's privatisation programme, banking, competition and much more ● Its music and dance culture.

For further information, please contact
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Edward Macquistan on +34 1 377 0061
or Fax: +341 377 0062.

FT Surveys

COMMODITIES AND AGRICULTURE

WEEK IN THE MARKETS Chicago grains head lower

Chicago's grain pits provided more excitement this week for commodity traders. As London...

US weather had for some time been the dominant influence on world grain markets. Prices were driven to historic highs by the drought conditions...

The mood changed profoundly this week, however, after weekend rains in parts of the Southwest plains broke the drought...

About 20 per cent of the US maize crop remained to be planted as of last Sunday, according to a survey released on Monday by the US Department of Agriculture...

els of maize from the emergency food reserve - had taken the pressure off maize prices. In late trading at the CBoT yesterday September delivery maize futures were up a few cents on the day at \$3.96 a bushel...

At the London Metal Exchange copper prices regained some of their recent heavy losses as nearby supply...

tightness was reasserted. The three months delivery position closed yesterday at \$2,446.50 a tonne, up \$24.50 on the week...

Copper's recovery was undermined yesterday by disappointment with the 4,100-tonne fall announced in LME warehouse stocks of the metal...

The earlier strength of the nickel market was encouraged, traders suggested, by news of top management changes at Norilsk, the Russian nickel giant whose exports are seen as a key swing factor in the western world's supply/demand balance.

BASE METALS

LONDON METAL EXCHANGE

Table with columns: Metal, Unit, Price, Change, High, Low, Vol. Includes Aluminum, Copper, Lead, Nickel, Tin, Zinc.

Table with columns: Metal, Unit, Price, Change, High, Low, Vol. Includes Silver, Gold, Platinum, Palladium.

Table with columns: Metal, Unit, Price, Change, High, Low, Vol. Includes Tin, Lead, Zinc, Nickel, Copper.

Table with columns: Metal, Unit, Price, Change, High, Low, Vol. Includes Silver, Gold, Platinum, Palladium.

Precious Metals continued

GOLD COMEX (100 Troy oz \$/roy oz)

Table with columns: Date, Price, Change, High, Low, Vol. Includes Gold, Silver, Platinum, Palladium.

Table with columns: Date, Price, Change, High, Low, Vol. Includes Silver, Gold, Platinum, Palladium.

Table with columns: Date, Price, Change, High, Low, Vol. Includes Silver, Gold, Platinum, Palladium.

Table with columns: Date, Price, Change, High, Low, Vol. Includes Silver, Gold, Platinum, Palladium.

GRAINS AND OIL SEEDS

WHEAT LCE (\$ per tonne)

Table with columns: Date, Price, Change, High, Low, Vol. Includes Wheat, Corn, Soybeans, Maize.

Table with columns: Date, Price, Change, High, Low, Vol. Includes Wheat, Corn, Soybeans, Maize.

Table with columns: Date, Price, Change, High, Low, Vol. Includes Wheat, Corn, Soybeans, Maize.

Table with columns: Date, Price, Change, High, Low, Vol. Includes Wheat, Corn, Soybeans, Maize.

SOFTS

COCOA LCE (\$/tonne)

Table with columns: Date, Price, Change, High, Low, Vol. Includes Cocoa, Coffee, Sugar.

Table with columns: Date, Price, Change, High, Low, Vol. Includes Cocoa, Coffee, Sugar.

Table with columns: Date, Price, Change, High, Low, Vol. Includes Cocoa, Coffee, Sugar.

Table with columns: Date, Price, Change, High, Low, Vol. Includes Cocoa, Coffee, Sugar.

MEAT AND LIVESTOCK

LIVE CATTLE CME (40,000 lbs cwt/box)

Table with columns: Date, Price, Change, High, Low, Vol. Includes Cattle, Hogs, Pigs.

Table with columns: Date, Price, Change, High, Low, Vol. Includes Cattle, Hogs, Pigs.

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Table with columns: Date, Price, Change, High, Low, Vol. Includes Cattle, Hogs, Pigs.

WEEKLY PRICE CHANGES

Table showing weekly price changes for various commodities like Gold, Silver, Copper, Aluminum, etc.

PRECIOUS METALS

Table showing precious metals prices for London Bullion Market.

ENERGY

Table showing energy prices for Crude Oil NYMEX and Heating Oil NYMEX.

LONDON TRADED OPTIONS

Table showing London traded options for various commodities.

WORLD BOND PRICES

Table showing world bond prices for various countries and maturities.

US INTEREST RATES

Table showing US interest rates for Treasury bills and bonds.

FT-AGRICULTURE FOKED INTEREST INDICES

Table showing FT-agriculture foked interest indices for various commodities.

UK FIXED INTEREST INDICES

Table showing UK fixed interest indices for various maturities.

MARKET REPORT

by Lisa Branstetter in New York and Richard Lapper in London. Continued nervousness about the course of monetary policy...

US TREASURY BOND FUTURES (CBT) \$100,000 32nds of 100%

Table showing US Treasury bond futures prices.

FT-FIXED INTEREST INDICES

Table showing FT-fixed interest indices for various maturities.

UK FIXED INTEREST INDICES

Table showing UK fixed interest indices for various maturities.

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COMMENT & ANALYSIS

FINANCIAL TIMES

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Saturday June 1 1996

High peaks, big risks

When Ms Susan Phillips, a governor of the US Federal Reserve, expressed worries about inflation earlier this week it looked briefly as though Wall Street might finally crack. In the event, bonds and equities quickly regained their composure. There have been many such brief and nervous twitches in the course of the year. But while the respect accorded to pronouncements from anywhere near Alan Greenspan's office borders on the reverential at present, the reellers at Wall Street's party know no deference, even towards the Fed.

Another curiosity of current market behaviour is that official data provide so much that appears to run against the grain of the respective movements of bonds and equities. The big story of the past few months has been the resurgence of inflationary fears, which has caused the yield on the US long bond to rise to just under seven per cent. There it dithers, waiting for news that would justify a decisive move in the direction of inflationary gloom.

In the real economy, meantime, there is no overwhelming worry for bonds. Near week, the Commerce Department revised its growth estimates downwards to an annualised rate of 2.3 per cent in the first quarter, compared with the earlier reported figure of 2.8 per cent. The chief reason for the revision was that inventories showed their first quarterly fall for four years, indicating that the inventory correction is over.

This admittedly means that growth in the second quarter is likely to be more buoyant as companies have to produce more to meet a given level of consumer demand. Figures for new house sales this week also pointed upwards, which in turn raised the possibility of more pressure on wages. That, of course, is one of the Fed's biggest fears; and a better indication of future trends will have to wait for next week's employment data.

Conventional wisdom

Yet in an economy which has seen very high levels of investment and improved productivity, market pressures will be acute this year. Nor is it inevitable, if growth from the second quarter follows conventional wisdom in running at an annualised 2.3 per cent, that the Fed will feel obliged to tighten monetary policy before November's presidential election.

Some, it is true, worry about the growth of the money numbers; and there are great uncertainties about the nature of the official flows between Japan and the US.

But on the assumption that the Fed continues to neutralise the impact on US monetary policy of the Bank of Japan's dollar purchases and sales, the question about money and inflation will be resolved at home.

Here the important point is that if people save rather than spend the excess liquidity, the outcome is more likely to be soaring asset prices than a surge in the general price level. And asset price inflation, propelled by the mutual fund movement, is very much what Wall Street is all about.

Upward sweep

The annualised rate of growth of mutual fund assets in three months to the end of May was more than 30 per cent, which is heady stuff. The upward sweep of equity prices, which are still close to peak historic levels, has also shown no deference to the bond market, where weakness might normally have been expected to put a brake on events.

Apologists for the present level of the market point out that in terms of prices and earnings, the current valuation is far from the historic peak. What they overlook is that peak historical levels are usually reached only when an economy is roaring ahead.

In one that is growing pretty much in line with its long run growth potential, today's price earnings ratios do look very demanding. Dividend yields, which are only a little over two per cent on the Dow Jones Industrial Average, are at genuinely low historic levels. Where valuations are based on replacement costs are used, the market is at its highest level for decades.

The trouble with arguments about valuation is that markets often remain overvalued for months or even years. In essence, the assertion that Wall Street is overvalued is a statement about the level of risk, not about where things will go next.

What can be said with certainty is that the mutual fund investors who are buying at today's levels will enjoy very low long-run returns, when measured by historical yardsticks - a point that applies, though with rather less force, to UK equities at their present level.

One moral is that a reversal of the present asset price inflation poses a greater threat to the wealth of US households than a resurgence of general inflation. Another is that a fortune teller on the nearest seaside pier may provide a better guide to when investors will finally grasp this point than the most sophisticated analyst.

When the Likud party faithful lost their heads on election night, Mr Benjamin Netanyahu, Israel's next prime minister, kept his cool. Early returns and exit polls showed Mr Shimon Peres, the prime minister, with a narrow lead over the rightwing Likud leader, sending his election headquarters in Tel Aviv into despair. Crowned men wept and party officials gave hasty interviews on television leaping out at the US for interfering in the election to support Mr Peres.

Mr Netanyahu, 46, staying at a seaside Tel Aviv hotel with his wife, broke his self-imposed vow of silence to rally his depressed supporters. Dressed in a dark suit, he delivered a calm, reassuring message. "It is still early. The night is long. We need to be patient. There are no final results yet. The race is very, very close," he said.

Within hours, Mr Netanyahu, known in Israel as "Bibi", had pulled ahead of Mr Peres. And yesterday, after the last ballots were counted, he emerged as the winner with 50.4 per cent of the vote, a wafer-thin margin of less than 29,500 votes over Mr Peres.

No personal quality, except perhaps his ruthless ambition and self-confidence, is more responsible for his victory than his ability to stay cool under pressure. It is a quality he has shown time and again as an army commando; as Israeli ambassador to the United Nations during Israel's disastrous 1982 invasion of Lebanon; as the country's chief spokesman in the Gulf war when Iraqi Scud missiles threatened Israel's self-confidence; and from 1988 as Likud leader after his meteoric rise over more experienced rightwing politicians.

It is a quality which has been seriously underestimated by his many critics, who portray him as an unprincipled opportunist, long on style, short on substance and with dubious judgment. The judgment question was raised in the only televised election campaign debate when Mr Netanyahu was asked about his behaviour in "Bibi-gate", the scandal of his marital infidelity which erupted two months before the Likud leadership poll in 1993.

"As an officer at a very young age I made life and death decisions," Mr Netanyahu barked back, before admitting he had made a mistake during Bibigate by rushing to confess his adultery on prime-time television because of rumours of a compromising videotape that turned out not to exist. Then, going on the offensive, he said: "But the mistake Mr Peres made, that he is making now, that he made in the last four years, hurts the whole people of Israel. People here live in fear. The whole country lives in fear."

The message that the peace process has failed to deliver security, and that only by resurrecting a garrison state can Israel move towards a genuinely secure peace, is behind Mr Netanyahu's comeback from a 20-point deficit in the opinion polls four months ago.

When Yigal Amir, a rightwing Jewish extremist, assassinated Yitzhak Rabin, the former prime minister, in November Mr Netanyahu's prospects of becoming prime minister seemed bleak. The right wing was blamed by many Israelis for its part in creating the climate of hate leading up to the assassination; and Mr Peres, who took over the premiership, soared in the polls. But then Hamas, the Palestinian Islam-

Man in the News • Benjamin Netanyahu

Life and death decisions for a former commando

A fighter to the last, Israel's next prime minister has demonstrated the value of a cool head, says Julian Ozanne



Spring 5

ist group, killed 59 Israelis in four suicide bomb attacks in February and March. The attacks wiped out Mr Peres's lead and played into the hands of Mr Netanyahu.

He prevented the eruption of anti-government demonstrations by Likud supporters and appealed for calm in a time of national crisis. He even addressed Mr Peres, 26 years his senior, as "Shimon" and offered his help in strong anti-terror moves.

At the same time, Mr Netanyahu was skilfully persuading the fractious right wing to unite behind his candidacy for the premiership. He swallowed his pride to make up with Mr David Levy, the former Likud foreign minister, whom he

had accused of being behind the conspiracy to discredit him during "Bibi-gate". When the united rightwing bloc was announced in March it quickly became apparent that almost a dozen Likud members of parliament would be sacrificed to accommodate other rightwing groups in an electoral pact. Many party members condemned this as naked opportunism but a large majority eventually endorsed it as the only way to unseat Mr Peres.

Mr Netanyahu's tactics have been vindicated. So have his skills as Israel's great communicator. His campaign was well focused on a single issue: the government had subcontracted Israel's security to Yasir Arafat, the Palestinian

president. Only by taking security into their own hands would a real peace, free from terror, be possible.

Now he will need all his skills as a political negotiator and communicator to reassure a deeply divided country, and an outside world worried about the impact of his hard-line policies on an unstable region.

The challenge is formidable. Mr Netanyahu's fear-mongering and criticism of the peace process while in opposition now have to be translated into government policies. He must decide in days whether Israel will proceed with a military withdrawal from the West Bank town of Hebron as it is obligated to do under the Israeli-Palestinian peace accords, or risk a renewal of Arab

violence. He must decide how to deal with the Palestinian administration next door after saying he would not meet Mr Arafat.

Mr Netanyahu must also try to calm the fears of Israel's neighbours in the Middle East, a region he recently described as a "mosaic of depravity and duplicity". He must seek to assure western states and the US, Israel's staunchest ally, that their economic and diplomatic investment in the peace process is not at risk. He must quickly take steps to restore the confidence of foreign investors: they are fearful that a collapse of the peace process will slow Israel's economic growth and its integration into global markets. In short, says Mr Haim Shalev, an Israeli political commentator: "He will have to convince the world that Israel is not about to turn itself in a dark, theocratic creature from the old Middle East."

Optimists say that although Mr Netanyahu has taken a hard line on the Arab-Israeli peace process, he knows that up to 70 per cent of Israelis support continuing the quest for peace. He also has solid credentials as a free marketeer committed to rapid liberalisation and privatisation of the economy.

Furthermore, the US-educated, fast-talking Mr Netanyahu is no Yitzhak Shamir, the gruff former Likud prime minister whose policies put Israel at loggerheads with the rest of the Arab world. Mr Netanyahu is as much at home in America as in Israel; he is used to being the darling of US television and will not want to be shunned by the White House.

But even an optimistic reading of his stated policies towards Palestinians, Syria and the rest of the Arab world must take into account the fact that he is likely to be pulled rightwards by his own party and his coalition partners.

Other members of his future government are even more opposed than he to a Palestinian state and to talks on Jerusalem - two of the most important issues Israel is committed to discussing with the Palestinians. They are also united behind the resurrection of Greater Israel, keeping the West Bank and Gaza Strip under Israeli occupation and populated with Jewish residents. There are extremists in Mr Netanyahu's own party, including Mr Ariel Sharon, a possible finance minister, who yesterday described Mr Arafat as a "murderer" and "war criminal" and said Israel would not honour its commitment to withdraw from Hebron.

The make-up of the coalition dims the hope that Mr Netanyahu will moderate his policies towards peace - a fact recognised by Mr Ahmed Qurie, the Palestinian architect of the peace process. "It is most worrisome that Netanyahu will be surrounded by a team hostile to the peace process. The region will return to a state of tension and violence, maybe, if a new Israeli team headed by Netanyahu implement their campaign slogans."

The composition of the coalition is also unlikely to allow him to meet the urgent need for spending cuts. Ultra-orthodox and new immigrant parties will demand money for their communities.

Squaring these competing demands while preventing Israel's return to confrontation and isolation will test Mr Netanyahu's coolness under pressure as never before.

LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL

We are keen to encourage letters from readers around the world. Limiting only to "fine". email: letters.editor@ft.com. Translation may be available for letters written in other languages.

Netanyahu will continue peace process after election befitting real democracy

From Mr Zilli Jaffe.
Sir, The Israeli public has had its say in an honourable and democratic manner befitting a real democracy. Some in Israel do not appreciate democracy when they lose. Mrs Rabin's statement to CNN that she will leave Israel if Benjamin Netanyahu wins is outrageous. Those who claim that Bibi won the election because of Rabin's murder are making a mockery of a tragedy that

devastated all of Israel. Israel, being a democracy, will not negate any of its international agreements (inclusive of "Oslo A" and "Oslo B"). Netanyahu will surprise those who fear his victory. Let us remember that it was Begin who signed the peace treaty with Egypt. It was Shamir who attended the Madrid conference. It will be Netanyahu who will bring peace with Syria as he will have the support of right and left.

All Israelis wish for peace. The peace process with Palestinian is irreversible. Democracy spoke. Let us give Bibi a chance. I know he will not disappoint us.

Zilli Jaffe,
Zilli Jaffe & Co,
Law offices,
31 Ramban Street,
PO Box 7381,
Jerusalem 91-073,
Israel

Cut ferries for benefit of shareholders

From Mr John Faber.
Sir, The once important ferry service connecting Enkhuizen, in North-Holland, with Stavoren, in Friesland, had to face up to the fact that an ever-increasing number of people preferred to take the Aalsluis route once the construction of this well-known dam was completed in 1932.

The ferry service accepted it and took the necessary measures, cutting the frequency of the service. Today, there are just two departures a day (three during the summer). Any possible ideas of it staying competitive with the Aalsluis route were dispelled ages ago. P&O and Stena would be wise to follow this example on the Dover-Calais route. For the benefit of their shareholders!

John Faber,
75 Bayham Rd,
Sevenoaks,
Kent, UK

Tendency to secrecy would hinder free market in beef

From Mr Tony Clayton.
Sir, Steven Carter's proposal (Letters, May 29) to label British beef and "let the market decide" sounds reasonable, but runs up against real political and practical difficulties.

The beef crisis stems from ministers' failure to adopt proper labelling 10 years ago. Farmers asked for animal feed containing abattoir waste to be labelled, but

the government gave in to the big companies, and blocked this safeguard in the name of deregulation. Some farmers whose cows were affected by BSE could not know what they were buying.

We live in a country where information is not valued in Whitehall. This week's milk scare has shown again that secrecy is its first instinct. Who would trust a UK government labelling scheme to

restore market confidence in the quality of anything?

Perhaps the only measure which might do the trick, and be acceptable to xenophobic politicians, would be to dye beef for export red, white and blue!

Tony Clayton,
75 Bayham Rd,
Sevenoaks,
Kent, UK

Too much rhetoric and too little action by US over land mines

From Ms Ann Peters.
Sir, As Nancy Duce observed ("Clinton work for an end to land mines", May 17), President Clinton has been strong on rhetoric in "launching an international effort to ban anti-personnel land mines". There was no need to launch an international effort. One has been ongoing for some time and growing in strength. Some 40 countries, including Germany, France and Canada, support an immediate and comprehensive ban on anti-personnel land mines (APMs),

and millions of people around the world have signed petitions to that end.

President Clinton says the US will seek a global agreement to stop the use of all APMs. But why did the US not unilaterally ban the use - as well as production - of all APMs now rather than later? He could have relied on the advice of 15 high-ranking retired US military officers, including Gen Norman Schwarzkopf, commander of Operation Desert Storm, who urged him just a few weeks ago to ban

these weapons as a "humane and militarily responsible step".

One problem with the US policy is the continued belief that the limited military utility of land mines outweighs the greater humanitarian tragedies. President Clinton says self-destructing mines pose "virtually no threat to civilian life once a battle is over". But such mines will still kill or maim civilians for months after they are sown, and areas will remain off-limits until mine-clearers painstakingly prod the land to

ensure that none of these indiscriminate killers is active. It is unfortunate that the US, as well as the UK in its recent announcement on land mines, failed to lead the world with more far-reaching and concrete deeds rather than by words.

Ann Peters,
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UK

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In accordance with the provisions of Articles 7 and 20 of the Regulations approved by the CONSOB with Resolution No. 5553 of November 14, 1991, the documents listed below have been deposited at the Company's registered office and corporate offices, located respectively at Via S. Dalmazzo and 23 Via Belfiore, Turin, and at the headquarters and secondary office at 189 Via Flaminia, Rome, where the public may consult them or request a copy thereof:

- Financial statements at December 31, 1995, report on operations from the Board of Directors, report of the Statutory Auditors, Independent Auditors' certificate and consolidated financial statements at December 31, 1995; and

- Minutes of the Annual Shareholders' Meeting of May 3, 1996, approving the 1995 financial statements.

The above documents have also been deposited with the Stock Exchange Council, where they are available upon request.

Anyone who wishes to obtain additional information may call +39-6/36001273 or 36001274 or 36001275.

This notice is also available on the Internet at the following address:
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STET

COMMENT & ANALYSIS

A handshake away from the presidency

Bob Dole's physical awkwardness contrasts with Bill Clinton's smooth campaigning, says Patti Waldmeir

The awkwardness starts with the handshake, the most basic of all political gestures. There is a split second of hesitation every time. Senator Bob Dole stretches out his good left arm, and the voter must decide. Will he shake with his own left hand and suppress the natural reflex to grab the candidate's right, crippled by a war wound? Or will he choose the almost feminine gesture of bolding hands, his right hand in the senator's left? Either way, a crucial split second of spontaneity is lost.

Compare the handshake of President Bill Clinton, the most famous in US politics. The anonymous author of the best-selling Washington novel *Primary Colours* has immortalised it, describing how Governor Jack Stanton, Clinton's fictional double, uses both hands to grab, stroke and pump. "He's interested in you, he's honoured to meet you... [he] flatters you with the illusion of conspiracy," says the narrator, in words that capture the real-life president's technique. That grip is central to candidate Clinton's routine of political seduction. For Mr Dole, it is a physical impossibility. Yet the handshake is, strangely, almost as powerful a tool for the Republican senator as for his Democratic rival. It defines the central message of the senator's campaign: that he is not Mr Clinton. For many - perhaps most - Republican voters, that is the main fact



Wave of support: Bob Dole delivers an address on crime during a downpour on the campaign trail in Aurora, Colorado

that recommends him as president. The senator spent the past week underlining the difference on his first important campaign trip since announcing his forthcoming resignation from the Senate. Mr Dole's aides have accepted that their candidate's campaign will never have the qualities that his handshake lacks: passion, force and split-second timing. The stiffness in his body language goes well beyond his physical handicap. Almost everything about his performance is curiously, sometimes disarmingly, awkward. He is notoriously inarticulate in a campaign speech is an obstacle course littered with verbal hurdles over which to stumble. His rhetorical gestures are almost always mistimed. His speeches do not so much build up to a climax as sink to an end. He concluded one earlier this week with the stunning exclamation, "So!"

A man of wit and humour in private, candidate Dole's jokes seldom succeed. He has taken to saying on the stump that he wants to be president because "every country ought to have one". That is humour which strays into dangerously serious territory for voters who struggle to find any better reason why they should elect him. His aides have no choice but

between himself and the president (a CNN poll published on Thursday showed that gap narrowing, but still gave Mr Clinton a 16 percentage point lead). Mr Dole may ridicule Mr Clinton's ability to produce emotion on demand, but the ready tear in the presidential eye is likely to remain a big asset of the Clinton campaign. Americans demand a level of sentimentality from their politicians that Europeans find cloying. Contemporary culture favours the earnest emotionalism of the president over the adult reticence of the senator.

On the campaign trail this week, Mr Dole tried hard to overcome that, with mixed results. Rather than rush away from campaign venues as in the past, the senator took time to press the flesh, to show the human side of the man who is to many just a personification of legislative Washington. But on Thursday, this strategy backfired rather badly: the senator spent the morning on walkabout, striding the pavements of Michigan Avenue in Chicago, the ritziest shopping district in the Midwest. He stopped at an Italian shoe shop to buy a handbag for his wife. It went fine. But the candidate went

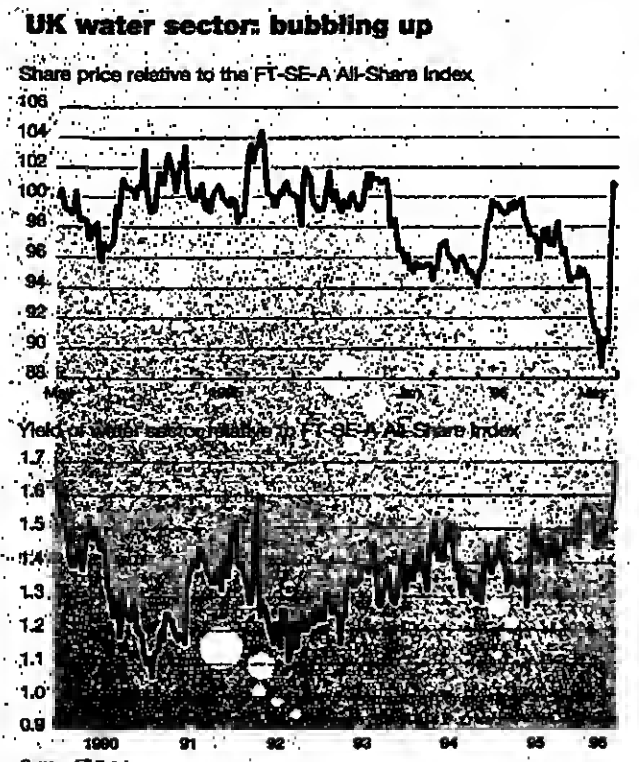
straight on to the slums of south-west Chicago, where the window displays are invisible behind security grilles. He did not go there for a walkabout. He went to talk about domestic violence, oblivious to the fact that, by choosing an all-black neighbourhood for the event, he was delivering a subliminal insult to minorities. It was as though he were saying only black people beat their wives, and he emphasised that message by explicitly blaming domestic violence on the welfare system, which primarily benefits black and Hispanic recipients. He was challenged by a Hispanic social worker who said such violence knew no colour but the purple of wifely bruises. Mr Dole mumbled something to concur, but the damage was done. He sought refuge in his motorcade, only to have second thoughts and emerge to shake a few black hands to match the white ones on Michigan Avenue. But his heart was not in it: unlike the president, who would have spent his time publicly bonding with the victims of domestic violence, candidate Dole could not feel the neighbourhood's pain, or even pretend to do so. He shook the hand of a man who said he was jobless, but then could find little to say to him. Within moments, he was back in the motorcade, and gone. Such are the moments when stiffness is a handicap, not an asset. There are times when just being the anti-Clinton is not enough.

The water sector's share price sparkle may be short-term, warn Leyla Boulton and Jane Martinson

When politics and regulation surface

Water company executives recall with fond nostalgia how their business used to be known as the "silent industry". These days the roar is deafening. Privatised in 1989, the water and sewerage companies of England and Wales have since the headlines ever since details emerged of large pay increases paid to top executives. But last summer's water shortages - caused by a mixture of drought and bad management - have redoubled the criticism of the companies. With fears that such sentiments will encourage a crackdown by the industry regulator or a future Labour government, water company shares have recently turned in a lively performance. But this week, a flurry of takeover bids and rumours has driven up share prices and reawakened interest in the sector. "At the moment, the focus is on takeover activity, the results and good dividends," says Ms Angela Whelan, water analyst at Crédit Lyonnais Laing, the stockbroker. Since January, water shares have been underperforming against the stock market as a whole - falling 10 per cent below the stock market average in April. This has encouraged companies to announce higher-than-expected dividends in an industry that has in any case offered higher yields than most other sectors. The sector's prospective yield for 1996-97 is forecast to be about 55 per cent higher than the

market average. On Tuesday, Scottish Power, the electricity company, announced a £1.5bn bid for Southern Water, which was followed closely by a higher offer from Southern Electric. Shares in the sector shot up on the news that water companies were now the targets for other utility companies - raising the prospect of greater interest from abroad and a wholesale restructuring of the industry. This appears temporarily to have outweighed fears of increasing political or regulatory intervention which have been holding back the sector. The main fear has been the possibility of a Labour victory in the next general election, which must be before May 22. Labour has made frequent attacks on "fat cat" executive pay and big profits in all the privatised utilities. And it has talked of introducing a one-off "windfall" tax on profits. For the water companies, the party is considering fines on companies that fail to supply water and an adequate service. A report to the party's National Policy Forum earlier this month argued for curbs on profits to replace price caps. And the party has called for a moratorium on mergers while companies sort out supply problems after last summer's drought. Some industry executives argue the party's bark may be worse than its bite. Mr Chris Mellor, finance director of Anglian Water, which supplies eastern England, says Labour politicians "when confronted



with the reality of power... will make the right decisions - which may be different from what they've said in opposition." And Mr Lakis Athanasiou, analyst at UBS, the stockbroker, believes the market has been "over-indulging in political risk". But others believe Labour might throw obstacles in the way of mergers. They see the current round of activity as an attempt to push through take-

overs before a change of government. Mr Robert Miller-Bakewell, analyst at NatWest Securities, says he expects "companies to bid soon and bid early to cut in on the process before an autumn or a spring general election". There are also fears that the industry regulator will take a tougher approach to the water companies - whether or not there is a change of government. Profits are still buoyant with expectations of further share buy-backs high. When it became clear last year that the power companies were subject to a price cap that had turned out more generous than anticipated, Prof Stephen Littlechild, the electricity regulator, forced through bigger price cuts. More recently, Ms Clare Spottiswoode, the gas regulator, imposed much tougher price controls on the companies that will be formed by the demerger of British Gas. Mr Brian Staples, chief executive of United Utilities, a company which supplies water, electricity, gas and telephone services, says Ms Spottiswoode had sent "cold shivers down everybody's back". However, "too much can be read across from gas," according to a "watts" analyst who declined to be named. Mr Ian Byatt, director-general of Ofwat, the water regulator, has so far been the most consistent of the regulators. But Mr Byatt has stepped up pressure on companies to improve service to customers after last year's water shortages. On Thursday, he called for more generous compensation when supplies dry up. And he said most companies had failed to do enough to tackle leakage from their pipes, losing an average of 25 per cent of their supplies last summer. His officials warned that companies which fail to reduce leakage to acceptable levels will not get permission to raise prices to finance new investment. While the next review is not due until 2005, he has the

option of a mid-term review at the end of the decade. Ms Dilys Plant of Ofwat says customers cannot be expected to pick up the bill for incompetent management. "A lot of companies didn't get their supply and demand forecasts right. These companies carry some risk and if they don't get everything right they can't come back to us and say please can we have some more money." It is last summer's drought that has finally started to shake up the industry's management. The board at Yorkshire Water stepped down after its failure to plan for adequate supplies which led it to bring water in by road tanker at a cost of \$47m. And South West Water replaced a top executive after difficulties with supplies and losing its fight with the regulators over its price cap. Mr Mellor from Anglian, a company praised by the government and Ofwat for its drought management, says the crisis had driven the industry to place more emphasis on pleasing the customer. "The penalties for not doing that have been huge, with boards disappearing and so on," he says. Pressure on the companies to improve their performance both for shareholders and customers is unlikely to abate. The bid speculation and the forthcoming profits announcements are expected to keep the share prices up in the short term. But in the longer term political and regulatory concerns are likely to resurface.

Channel battle with only one winner

The cut-throat competition between Eurotunnel and the ferries means more bargains for travellers, writes Charles Batchelor

Mike Allmond set off from London yesterday evening with his wife and nine-year-old son for their regular trip through the Channel tunnel to their cottage near Boulogne in France. Mr Allmond uses the tunnel most weekends and is one of 100,000 Eurotunnel customers to make at least six annual crossings. As a Eurotunnel shareholder, Mr Allmond gets a 50 per cent reduction on the ticket price and is a dedicated user of the service after years of suffering what he describes as the overcrowding and inconvenience of the ferries. He needs no convincing of the tunnel's attractions, but other travellers clearly do: from today, Eurotunnel, the tunnel operator, is seeking to lure extra customers with new discount fares. Earlier claims that it would not descend to a price war have been dropped. The company is now slugging it out with the ferries in the bargain basement in an attempt to pay off its £20m (£150m) debt. Holiday motorists from the UK planning their fortnight in the sun this summer will have an unprecedented choice of cut-price travel deals and duty-free offers. Travellers will also have the pick of up to 60 ferry sailings a day and more than 100 "shuttle" train departures through the tunnel. Travel agents have welcomed the boost that the price cuts will give to the French holiday market, despite the fact that lower fares will mean

lower commission earnings. "If this were a normal year, I would be unhappy but France is struggling because of the strength of the franc. This will give us a kick-start," says Mr Chris Rees, commercial manager for Thomas Cook. The bargain tunnel price that caught the headline writers' eyes was the £49 per car offer available to day-trippers who are prepared to board the shuttle train at 6am and return by midnight. For those who want to leave home in daylight, the day-return price rises to £59. At least a quarter of travellers who use the shuttle do so to buy duty-free or cheap drinks and cigarettes, frequently travelling from points as far away as Exeter, Manchester and Liverpool. "We have expanded the market for duty-free trips," says Mr Dominic Fry, Eurotunnel's communications director. But the main target of Eurotunnel's present discount offer is not the "booze cruise" voyager but the family holiday-maker. Such travellers are now being offered an economy fare of £109 if they are prepared to set off between 10pm and 6am, rising to £129 for travel after 6am, compared with the previous price of £266. "The real meat is the two-week traveller," says Mr Fry. "People do go across on the shuttle for dinner in Paris but three-quarters of our customers



are going on holiday." For the traveller who is prepared to book 14 days in advance, there is an Apex fare for £99, regardless of the time of day. P&O and Stena, the tunnel's two main ferry rivals on the Dover-Calais route, have dismissed its latest price reductions. They claim that while some ferry brochure prices may be higher their special offers and in some instances their regular fares still undercut Eurotunnel. "They've come down to the fares we were offering anyway and on the key fares we are still cheaper," says Mr Brian Reece of Stena, which is offering a day-trip rate of £15 per car plus £1 per passenger until the end of June, when rates rise to £18 per car and £4 per passenger. For the two-week holidaymaker, Stena still offers the best rate of £98. Meanwhile, P&O has a £16 fare for a car with driver for day trips. Its standard return fares start at £149 but are now approaching their high-season rates of £226. Ticket prices help to persuade travellers to choose either tunnel or ferry but duty- and tax-free sales provide another important incentive. Eurotunnel, which is not

allowed to sell duty-free goods on its trains but can do so at its terminals, slashed prices by one-third last September. It has expanded the duty-free sales areas at its terminals and introduced a range of VAT-free items as well. A litre of Gilbey's Gin sells for £4.66 compared with the average high street price of £14.15. Once on the shuttle train, the traveller experiences a very spartan service, waiting in or beside his car in a brightly lit aluminium box, although Eurotunnel is considering installing interactive terminals to allow travellers to place duty-free orders. But the ferries too are continually improving the quality of service. Stena is spending £8m on upgrading the Stena Emperor, which is to be moved from the Baltic to the Channel next month. But financing these improvements is difficult while the ferry companies remain locked in competition with each other. As a result, P&O, which claims 33 per cent of the Channel market, applied to the government last month for permission to reopen talks about merging its cross-Channel operations, but denied it had a specific partner in mind. Stena, which would be an obvious ally, says it has no need of a partner following the end of its long-standing agreement with SNAT, the French state-owned ferry company.

But the ferry companies will not be able to continue indefinitely with the present number of daily sailings. P&O's first-quarter earnings were badly affected by competition from the tunnel, and both companies depend on duty-free sales rather than ticket revenues for any profits they do make. Eurotunnel has stopped publishing market-share figures because they caused disputes with ferries over accuracy but it does still claim "undisputed" leadership of the market. The ferries say the tunnel peaked at 45 per cent of traffic at the end of last year and has since fallen back to 35-40 per cent. Both the ferries and the tunnel have plenty of spare capacity, provided their pricing policies can persuade more travellers to use them at quiet times. Because it has to share capacity in the tunnel with freight services and the Eurostar long-distance express, Eurotunnel is restricted to four departures of its car and passenger shuttle trains an hour but says that is sufficient. For the ferries the opportunities to make further price reductions while maintaining profitability have probably been exhausted. But the tunnel, which cost a lot to build but is relatively cheap to run, could reap benefits from attracting more travellers with additional fare cuts. There is a good chance that the discounts on offer for the summer will be continued into the autumn.

A dangerous country to do business in

A wave of kidnappings has hit the Philippine capital Manila

Tourists and business executives arriving at Manila's international airport will soon be given a standard safety leaflet. The advice sheet, which is being drawn up by the Ministry of Tourism, will tell visitors how to avoid being kidnapped during their stay in the Philippines. Among other tips, the new arrivals will be warned to avoid certain types of taxis, to refrain from getting out of the car if it has been bumped by a vehicle from behind and to avoid conspicuous displays of wealth. Sensible advice anywhere in the world, it might be supposed. But in the Philippines - recently rated as the most dangerous country in east Asia to do business by the Political & Economic Risk Consultancy in Hong Kong - the kidnapping racket has become something of an institution. There have been over 600 kidnappings since 1992 according to official statistics, and hundreds more if independent monitoring groups are to be believed. What the Hong Kong consultancy failed to mention, however, was that almost all the victims are of Chinese origin. Making up about 2 per cent of the Philippines' 65m population but accounting for 60 per cent of its wealth by stock market capitalisation, Chinese-Filipinos are the prime target for kidnapping syndicates operating in Manila. The Chinese tendency to invest in liquid assets and their dominance in the banking sector heighten their attractiveness to organised and money-hungry ransom gangs. Mistrust of the local police - most Chinese are convinced that corrupt police officers take a cut from kidnapping revenues - means that few cases make it on to police records. "It is a catch-22 situation," said Mr William Chua, a partner in the Yorac Arroyo & Chua law chambers and a Chinese-Filipino. "What is the point of complaining to your kidnappers about being kidnapped? That is just tempting fate."

British businessmen have 24-hour security guards at their residences. I think that is quite a sensible practice." At the Saviour School in Manila's Greenhills - one of the many suburbs for the rich surrounded by barbed wire and known as "golden ghettos" - school closing time is a high-security manoeuvre. Dozens of the school's Chinese and Filipino pupils are picked up by discreetly armed guards in dark glasses and forbidding scowls. Precautions for adults are almost as stringent. "My first rule is only to visit Manila when it is absolutely necessary," says Mr Benson Dakay, head of Shenberg Corporation, the country's largest seaweed exporter based in Cebu, central Philippines. "Second, only come to Manila on unscheduled flights. And third, vary my routes from the airport, vary where I stay and minimise the number of people I inform." Ms Teresita Ang See, head of a Chinese anti-kidnapping group and target of several aborted abductions herself, believes there will be no end to the kidnapping problem until the police is reformed root and branch. Kidnapping syndicates, she says, have become so confident that they are starting to accept cheques from their Chinese victims in lieu of ransom cash. Ms Ang See is viewed askance by the authorities, but Mr Robert Barbers, a former police colonel and newly appointed secretary of the interior, appears to be heading her advice. "We believe Manila is as safe a city as any other - which is not to say that there aren't any scallywags in the police," he says. "In my first month, I have removed 150 detectives for corruption. We intend to continue rooting them out wherever they are."

With foreign direct investment increasing by 40 per cent a year, the kidnapping wave has evidently not stopped businesses from putting capital into the Philippines' growing economy. Among leading foreign investors, the Taiwanese have not yet been deterred from investing in the Philippines by the abduction of several of their compatriots - most recently the 18-year-old son of a diplomat who was released last month for a ransom of 1m pesos (\$40,000). Failure to stem the problem, however, could cast a pall over the country's otherwise impressive economic turnaround. "Chinese-Filipinos are not going to start switching their capital from real estate investments to more productive manufacturing-type ventures until they feel a lot more secure," says Mr Chua. "Whichever way you look at it, ignoring the concerns of the country's most dynamic business community cannot make good business sense."

Edward Luce

CURRENCIES AND MONEY

MARKETS REPORT

Mighty Pound

By Philip Gawth

Sterling was yesterday the most of the currency markets after another strong performance...

The pound closed in London at DM2.3668 against the D-Mark, 3/4 pence up on the close...

Unusually, sterling's rally came against the background of a correction in the dollar which closed at DM1.8275...

There was little movement in Europe with currencies

mostly range-bound against the D-Mark.

Sterling's rally is essentially a "catch-up" phenomenon. In recent months, high-yielding European currencies have rallied sharply...

Gilts and sterling mostly missed out, but now appear to be catching up.

Mr Neil MacKinnon, chief economist at Citibank in London, reported corporate a lot of fund managers also considered sterling undervalued.

Dollar

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Weekend FT

As Michael Howard seeks to send more people to jail for longer, Mark Suzman examines the UK's penal policy and finds it failing the Winston Churchill test

The rights and wrongs of locking up more criminals

"The mood and temper of the public in regard to the treatment of crime and criminals is one of the most unfailing tests of the civilisation of any country."

Winston Churchill

If the nation's leading judge is to be believed, the test that Churchill set in 1910 when home secretary is one that British society is failing. Lord Taylor, the outgoing Lord Chief Justice, has recently launched a furious tirade against the prisons policy that Michael Howard, current home secretary, says the public is demanding.

And Lord Taylor is not alone. His criticisms have been widely echoed by other senior members of the bench and a diverse array of lawyers, politicians and prison officials. Even the Archbishop of Canterbury has ventured on to secular ground to challenge a system weighted "too heavily in favour of imprisonment".

The immediate objects of these attacks are the government's proposals, currently circulating in a white paper, to introduce a variety of mandatory sentences for criminals, ranging from life sentences for second-time violent offenders to tougher minimum sentences for drug dealers.

But underlying the furor is a much deeper debate about the proper role of prison in the criminal justice system. Over the past three years the UK's prison population has expanded rapidly from just over 40,000 to its current total, a new record, of more than 54,000. Even Howard admits the new proposals will lead to a further rise of at least 11,000 inmates, and independent analysts calculate that they could increase what is already Europe's largest prison population by up to 30,000.

With prison space and money both at a premium, the inevitable corollary is overcrowding, declining prison conditions and growing despair among prisoners. "Things aren't too bad yet, but the real problem is that the mood is rapidly deteriorating."

says Andy Chaplain, a former inmate, who was recently released after serving four years in three prisons. He now works for a Birmingham helpline for prisoners' families, and warns: "If people think there's no hope of more improvement, suicide and violence will both rise."

But the thought that his policies are upsetting convicted criminals is more comfort than concern for the home secretary. Exploiting populist images of prisoners lolling

Detailed instructions used to be issued to prisons on how to make food taste and smell bad

around watching television, Howard says he is merely following the will of a public sick of lenient judges and permissive prison regimes.

That may be true. Opinion polls consistently show that most people favour retribution and deterrence ahead of rehabilitation as goals for punishment. As Norval Morris, a law and criminology professor at the University of Chicago, writes in the recently published *Oxford History of the Prison*, the public "has always overwhelmingly supported whatever punishments were inflicted as a means of reducing or preventing an increase in crime".

But if attitudes to punishment have been relatively unchanging, its form has not. The widespread use of long-term imprisonment is a relatively recent invention. Historically, alternatives have included whipping, mutilation, deportation and branding, as well as forms of execution ranging from hanging and drowning to decapitation.

For the greater part of the last century, however, in

Britain as in most western democracies, prison has been the favoured form of dealing with criminals. At the same time, driven by a mixture of humanitarian and pragmatic impulses, conditions within prison have improved out of all recognition from the fetid cells that characterised latter-day Victorian England.

Some of Howard's critics feel, however, that when he talks approvingly of a "decent but austere" prison environment, it is such an environment he envisions. After all, his proposed prison building programme would be the largest undertaken in Britain since the triple imperative of "hard labour, hard board and hard fare" - goals derived from the 1865 Prisons Act.

That law was itself a response to growing public outrage at the "indulgent" treatment of prisoners. It sought to make prison life a regimen of misery and pain so unpleasant that it would act as a genuine deterrent to crime. Clothing was deliberately rough and ill-fitting and prisoners were forced to exhaust and injure themselves by walking on treadmills or turning the crank for between six and 10 hours a day. Worst of all were the poor diets - detailed instructions used to be issued to prisons on how to make food taste and smell bad.

It was this latter aspect that Oscar Wilde found unbearable during his own imprisonment in Reading jail, prompting his evocative descriptions of "lean hunger and green thirst". Michael Davitt, the jailed Irish nationalist turned MP, recalled seeing men eat candle ends, boot grease and even a used poultice to stave off hunger pains.

Even those dire conditions, however, conspicuously failed to reduce crime significantly, let alone stamp it out. Recognising this, penal philosophy began to change after the turn of the century and prison regimes have improved steadily, albeit in fits and starts, along with the general rise in living standards. The most recent burst of

reformism came only five years ago in the wake of the Strangeways prison riots in 1990, and followed a full inquiry into the prison service drawn up by Lord Justice Woolf, who is about to become Master of the Rolls, and judge Stephen Tumim, then chief inspector of prisons.

Motivated by the humanitarian impulse to improve cramped and squalid conditions, the practical need to avoid further prison riots and the desire to equip prisoners with the skills to resume respectable roles in society upon release, the report recommended a wide range of measures to improve prison life.

These included a strict injunction against overcrowding, phasing out the humiliating and unhygienic practice of "slopping out" - using chamber pots in the absence of modern plumbing - improving facilities such as libraries, increasing time spent on education and training, and extending home leave arrangements.

By and large, the government accepted the report's

recommendations and incorporated them in the 1991 Criminal Justice Act. In subsequent years the prison service has met most of its targets in these areas and the results have been salutary. Overall, escapes, assaults and suicides have all fallen.

Since Howard became home

Nearly 60 per cent of prisons are already having to cut services such as education

secretary, however, this has been taking place against the backdrop of a tighter budget and a government agenda that has switched back to old-fashioned criminal deterrence. The inherent contradiction between those two goals has now been exposed.

As things stand, the prison service is facing a 13 per cent budget cut over the next three

years, and even the government recognises that this makes the worsening of prison conditions all but inevitable. The latest Home Office spending plan, for example, puts forward the goal of ensuring prisoners have proper access to sanitation at all times - but attaches the telling proviso "provided the prison population does not increase significantly above current projections".

Such an increase is virtually certain if the current sentencing proposals become law, and the risk is that prisons could become little more than "warehouses" - institutions of incarceration with scant regard for living conditions, let alone rehabilitation. It was this fear that recently prompted Judge Tumim to warn that the home secretary's policies were "leading on the road to the concentration camp".

Howard denies these charges and says that the government will delay the rise in prison numbers by phasing in the sentencing changes. He is also confident new prisons will be built in spite of cutbacks by

using private finance. But the taxpayer would still have to fund the service and few prison officials are convinced that the money will be forthcoming. As things stand, nearly 60 per cent of prisons are already having to cut services such as education.

Some experts are worried that the whole programme is being implemented on a premise that remains completely unproven. As Professor Andrew Rutherford, chairman of the Howard League, a prison reform group founded to commemorate the great 18th century prison reformer John Howard, points out: "The 1991 policies have been ditched and the new proposals announced

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John Plender

Guards at the gates of power

Labour's ambition is sparing Major any statesmanlike opposition to his absurd beef war

The wisdom of 19th century Whigs on the duty of the opposition could, according to Lord Derby, be summed up cynically and simply: oppose everything and propose nothing. After a week in which Labour has signally failed to offer a clear-cut alternative to the Tories' banana republic diplomacy in Europe, that minimalist view seems to have achieved a new degree of refinement: oppose everything, apart from anything tricky.

There are few more accomplished purveyors of parliamentary invective than Robin Cook, the shadow foreign secretary. Think what he might have done with a war cabinet fulminating over gelatine, talow grease and bull's semen. Instead of bringing ridicule to this Lilliputian enterprise, he has been outlining his agenda for maximising the benefits of Britain's position in Europe, while simultaneously offering (marginally qualified) support for a government policy on beef that can only minimise those benefits.

What makes this stance even odder is that it goes so much against the grain. In a

thoughtful article on the intellectual underpinning of Labour policy in the latest issue of Prospect magazine, Tony Blair declares that Britain's place in Europe and the rest of the world is one of two big questions to which his party must provide answers. So why is there no room for statesmanlike opposition to John Major's absurd beef war?

Perhaps those of us who are not exposed daily to the tabloids have a poorly informed grasp of British interests in Europe. Hum. In fairness to Labour, the task of educating both the electorate (and newspaper editors) in the complexities of multilateral diplomacy is a relatively new discipline in British political life.

More importantly, Blair's aspirations, in relation to Britain's role, look dangerously ambitious. Since the collapse of the Berlin Wall, no country's place in the world can be taken entirely as read; and since the rise of the Asian economies, even Europe's place in the sun is disputed. The best hope for an unambiguously constructive Labour move from "oppose" to "propose" mode may thus come

from the second question raised by Blair's article in Prospect: how do we construct a new relationship between the individual and society in an era of rapid change?

The most important part of the centre-left answer lies in the stakeholder economy. This rests on the notion that the prevailing insecurity, especially in the labour market, is best addressed through the creation of an inclusive community where private contract plays a lesser role than the informal bonds and constraints of civil association.

Such a doctrine does not, it has to be said, lend itself to tabloid headlines. But it does have political resonance in a world where incomes have become very unequal and an antidote is needed to the likes of Nick Leeson, the embodiment of Thatcherite individualism taken one logical step beyond the legal norm.

The snag is that while no one advocates slavish adherence to the habits of Germany or Japan, these models still raise formidable conceptual and practical difficulties. For a start the preservation of German inclusiveness before uni-

fication depended on treating guest workers as non-citizens and women as second class citizens, notably in the labour market.

Since unification, social cohesion has been preserved in the west only by inflicting an uncompetitive exchange rate on the east. This political

What has stakeholding to offer? Not much before the election, it would appear

and economic fix, engineered at the behest of West Germany's powerful unions, ensures that east German workers are excluded from participation in anything other than a depressed regional economy.

As for Japan, the country's best companies are indeed run in the interests of stakeholders, and more especially the employees. Yet the proportion of the workforce that ben-

efits from lifetime employment is relatively small. Outside the large companies in the tradable goods sector, Darwinism prevails and the labour market is harsh. Minorities such as the Koreans and even the few remaining ethnic Japanese, the Ainu, are not kindly treated.

If Labour is to invest the idea of stakeholding with real meaning in a British context, it has to amount to something more than this kind of limited, privileged inclusion. It follows that the dividing line between the welfare system and the labour market should be redrawn to remove the present constraints on upward mobility. That brings us back to all the old questions about the incentive effects of means-testing versus universalism. What has stakeholding to offer here?

Not much before the election would appear to be the answer. Only a short while ago, Chris Smith, shadow social security secretary, was told by Tony Blair to go away and think the unthinkable, in the light of recent statements, the full text must have read: think the unthinkable, but don't dare speak the fiscally

unspeakable. Gordon Brown, the intimidating Cerberus who guards the gates of political office will have none of it.

Radicalism in this area has to be as much about taking as giving - witness Mr Brown's position on child benefits. Or it remains the preserve of Frank Field, who will shortly reveal actuarially approved figures for the cost of his plan to rebuild the pension system with much greater compulsory private participation. It is not clear whether his locus in the debate is, as the philosophers would say, necessary or contingent.

This side of the election, stakeholding cannot be allowed to mean more than Fabian gradualism, mixed with Scottish puritanism. After Labour's experience with its tax proposals before the last election, who can blame Mr Blair? For the record, I should declare that I had a refreshing conversation at Westminster this week with a Labour politician who gave straight, radical answers to all my questions. But then Tony Benn (for it was he) has long since abandoned the active pursuit of power.

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PERSPECTIVES

The Nature of Things

Find the rhyme and then the reason

Andrew Derrington on why teaching children to read is more than a matter of logos and trademarks

Some years ago, a three-year-old boy surprised a friend of mine by identifying the make of her new car. Asked how he knew, the child said, "I read it," and repeated the manufacturer's name while pointing to the logo on the hubcap.

However, as the little boy no doubt began to discover shortly afterwards, deciphering written English is much more complicated and infinitely more flexible than recognising logos and trademarks. Once we know "phonics", as the rules that link written letters to sounds are known, we can read and pronounce words that we have never seen before.

We can even give consistent pronunciations to nonsense words invented by researchers studying reading abilities.

Teaching children how to read English is a subject that excites heated debate among parents, teachers and politicians.

About 20 years ago, the traditional approach of teaching phonics was discredited because it was too

difficult for many children. A new method was introduced. Instead of being taught a host of arbitrary rules (and exceptions), children were given real books to read. The stories were exciting enough to engage their attention, making it possible to guess those words that they did not know.

Almost overnight, learning to read stopped being difficult, boring and hard work and became an exciting combination of storytelling and guesswork.

The "real books" method swept across the US and the UK. But it has now become clear that it does not suit all children, provoking a backlash in favour of traditional phonics.

However, researchers have also been studying how children learn to read. Usha Goswami of the Department of Experimental Psychology at Cambridge University says that not only can research explain why traditional methods are difficult for some children, it can also suggest improvements.

Several studies have shown that awareness of phonology - how the sound of a word can be broken down into component sounds - is fundamental to success in learning to read. Children with poor phonological skills have difficulty learning to read.

According to Goswami, 80 per cent of dyslexics have poor phonological skills and the remainder

have a visual problem. John Stein of the Department of Psychology at Oxford University suggests that both the visual and the phonological problems of dyslexics have a neurological origin.

Awareness of alliteration and rhyme are among the first phonological skills to emerge.

Children usually learn to break a word into its component syllables, and to separate a syllable into its onset - any consonants that precede the vowel - and its rime - the remainder (not to be confused with rhyme) - before they go to school.

Naturally, readers of the FT will all be able to identify rimes and onsets, but an example may help to clarify the terminology: the onset

of the word "right" is "r" and its rime is "ight".

According to Goswami, children with good phonological skills use rhyme analogies to work out how to pronounce unfamiliar words. English spelling is much more regular at the level of the rime - there are 90 words that share the rime "light" and it is pronounced the same way in all of them.

Traditional phonics concentrates on single letters and phonemes, the smallest units of words. There are several reasons why this causes difficulties.

First, the ability to split a word into phonemes does not develop until children have been learning to read for about a year. It never

develops in people who do not learn how to read, although illiterate adults and pre-school children can usually do tasks based on rimes and onsets and use similarities between rimes and onsets to help them to pronounce new words. For example children are more likely to use the similarity between the words "beak" and "peak" - which have the same rime - than "beak" and "bean" which have the same number of phonemes in common but different rimes.

Second, single phonemes, particularly consonants, cannot be pronounced in isolation. The "b" and the "g" in bag come out as "buh" and "guh". It is not immediately obvious to a child that "buh" fol-

lowed by "a" and then "guh" should be pronounced "bag" rather than "huaguh".

The irregularity of English spelling is also a problem. This is probably the most important reason for the failure of traditional phonics. The method continues to be successful in languages with regular spelling, such as Spanish and Italian.

Goswami recommends that teaching strategies should aim both to enhance children's phonological skills and also, much more importantly, to exploit these skills as they develop. She is editing a series of children's books to help children use rimes and analogy in reading.

Sadly, neither the rules of phonics nor an awareness of rimes and analogy would have helped our precocious three-year-old to read the name of my friend's car: it was a Renault.

Rhyme and analogy story rhymes, Usha Goswami, OUP 1996.
The author is professor of psychology at the University of Nottingham.



John Elliott with two of his slurry stirrers

Photo: Price

Home Truths / Andrew Jack

Chewing over an art form with taste

Understanding the "art" of Gilbert Descossy is about as easy as tracking him down. He has changed addresses frequently, the galleries in which his work has been displayed have closed down, and he is contemplating moving even more inaccessibly to Morocco.

Resolving to meet him after seeing his highly unusual "art" at an open day in a studio in Montmartre recently, I was directed to another gallery. More of his work was on show, but he had just left. The proprietor telephoned three studios before we found him. It took another day to arrange the rendezvous, hours before he vanished again from Paris.

Gilbert Descossy is probably the only sculptor in the world of his kind. He has two unusual characteristics: his tools, which are his teeth and tongue; and his material, chewing gum. None of this is clear when you first glance at his work. Rows of neatly framed boxes each about the size of a book perch on the wall. Every one contains a small sculpture, and below it a photograph surrounded by a series of handwritten sentences.

"blind" - entirely manipulated in his mouth using his tongue alone. Each work takes between 10 and 30 minutes, and is then accompanied by a diary entry, listing how long it took, the flavour of the gum, where he was while at work, and important events taking place in the world at the time.

He began by creating letters of the alphabet, making one each day to spell out words such as *bouche*, *dent* and *langue*. In the last few years, he has produced words in Arabic, and turned to more figurative subjects, including teeth, body parts and whole people - walking, carrying objects, crucified or dead. He is now working on a series inspired by the burghers of Calais.

He has produced nearly 4,000 works, half of them framed, each of them selling for FF1,000, with discounts for

bulk purchases. "I have never sold a whole month, but sometimes whole weeks," he says. But the market at the moment is not so good, and he has no exhibitions planned. "At the moment people are buying more classical things."

Descossy says: "The Americans and the Dutch tend to be more receptive than the French, who are less trusting. Some people enter into the spirit of what I'm doing, others reject it entirely."

One reason is that "people have difficulty with art that comes from the mouth. It touches something sacred, which has less value than other parts of the body." Even in his work with disabled artists who hold a paintbrush in their mouths, he is struck by the fact that they use the mouth like their hands, not for its own qualities like him.

He has not been sponsored by chewing gum manufacturers, although some have bought pieces. "They disagree with my interpretation, they think the gum should be associated with life, and once it is framed it is dead."

For him, gum is too often associated with youth. "For me it is a provocation," he says, stressing that he intends to continue chewing until the day he dies.

He is not sponsored by gum makers, although some have bought pieces

Minding Your Own Business

Stirring muck to make money

Clive Fewins meets a farmer who is finding a challenge in developing a range of slurry stirrers

Farmer John Elliott describes himself as "one of those people who cannot walk past a machine without wanting to take it apart". When he took up farming in 1960 and moved with his family from Surrey to the south Devon village of Loddiswell, he could not find an efficient machine to stir the manure in his slurry pit.

"I could not understand how neighbouring dairy farmers put up with using tractor-driven machines that were ridiculously time-consuming and inefficient and needed a huge amount of fuel for very little end result," he said.

"Slurry is extremely important to beef and dairy farmers as it is spread on the fields as fertiliser where it helps to feed the worms and to grow prime grass for hay and silage. If it is not stirred well before being extracted, it is almost impossible to spread and the quality becomes patchy."

In the mid-1980s he experimented with new designs. But in 1985, a financial crisis, following several bad summers that resulted in poor feed crops, almost put him out of business.

It was not until the following year,

when he received a cash injection of £200,000 from the sale of his shares in the family-owned south London cleaning supplies company, of which he had been a director, that he was able to take the project forward.

It is a venture that has engrossed him for the past six years. He has built and sold 165 machines, but has yet to make large profits.

In April, Elliott again thought tough times were upon him. "Following the BSE scare, the phone almost went dead. I did not receive a single inquiry, let alone an order, for a slurry machine for six weeks," he said.

Business picked up and the order book is now quite healthy. However, Elliott often contemplates the wisdom of the decision he took in 1990 to sell his herd of 65 prime Jersey cattle and concentrate on the machinery.

He converted a 2,000 sq ft silage barn into a workshop and set up a small assembly line. There was minimal capital outlay as he used farm welding machinery and all the main parts were made elsewhere and bought in.

Elliott's new stirrer was a simplification of his original machine, which had a shaft and a housing. The new

machine did away with the shaft, using the tubular housing to rotate and perform the same function. As with the original machine, one end is attached to the rear take-off shaft of a tractor and the other placed in the slurry lagoon with the propeller-like stirring device attached. The new arrangement has enabled Elliott to remove all vulnerable bearings from being immersed in the slurry and also to increase the size of the propeller, which had been limited by the design of the previous machine.

"The machine was much more robust and powerful than its predecessors," Elliott said. "I had undertaken some slurry stirring on a contract basis with my prototype machine, and client farmers said it did more work in an hour than their own machines could achieve in half a day."

He managed to gain his first 10 orders as a result of the contracting work, which helped to ease his financial problems, and also from taking the machine to an agricultural show. He gradually refined the design, and sales steadily increased.

However, it was four years before Elliott was able to draw a salary from Mix'it Slurry Stirrers, as he had named the business by then. The ven-

ture was largely supported by grazing sheep and growing barley on his 45 acres, the money from the sale of his shares in the family company and the salary of his wife, a doctor.

Turnover in the first few years did not exceed £4,000 and the business did not break even until 1993. Before he sold the cattle, the farm had turned over £55,000.

"In a good year, I could make £20,000 profit on the dairy farm. I loved it and still miss the wonderful smell of the Jerseys," Elliott said.

"However, I also loved my slurry stirrers and I decided you cannot love too many things at the same time."

Today, turnover of Mix'it Slurry Stirrers is £20,000 and profits around £10,000. The farm turns over £12,000. Elliott has developed a tower version of the machine, which sells at £4,400 - nearly £3,000 more than his basic machine. But the margins on this version are lower as he is unable to add the same proportion of mark-up as he does on the standard machines.

He is now concentrating on a model that has a separate power source and a telescopic handler. Elliott thinks this version might be suited to slurry handling applications in industries such as water processing and tanning,

in both of which there are large slurries that need to be stirred, and possibly the chemical and pharmaceutical industries.

He is also about to embark on his first important French sales campaign. "British farmers have such closed minds. Selling to them has been enormously difficult," Elliott said. "Despite proving to countless farmers that the machine works, I still have great problems convincing others that you can rotate a tube in slurry, transferring 140hp to the task of stirring the mix without mechanical failure."

"In France, there is good potential business as the legislation on slurry has just been greatly strengthened. But the French are so keen to export their own products that I fear it might be even harder to sell to them."

"I find the challenges of developing a range of slurry stirrers fascinating and I think I made the right decision to part with the cattle to concentrate on the machines. But I admit that I have yet to prove the truth of the old adage that where there's muck there's money."

Mix'it Slurry Stirrers, Little Chilton Farm, Loddiswell, Kingsbridge, Devon TQ7 4EG. Tel: 01548-500292

Continued from Page 1

with barely any debate or considered research."

Part of Michael Howard's motive for pushing through changes that his namesake would have abhorred seems to be purely political. The government sees the new bill as a useful sop to the red-blooded Tory faithful, and also potentially one of the most powerful weapons in its limited electoral arsenal.

Being tough on crime is a traditional Tory posture, but Howard's unflinching support for tougher penal policy appears to be driven by strong personal conviction as well. Most recent Conservative

home secretaries have sought to balance populist calls for retribution with relatively restrained policies, but his tenure has been strikingly different.

"Howard does have a political agenda," observes one associate. "But he also has a belief that prison should be, if not brutal, at least quite harsh. And he does believe that taking people off the streets stops crime."

Reflecting those convictions, the planned Criminal Justice Act would be Howard's sixth main piece of legislation since taking office. And while none has generated as much controversy as the present one, nearly all of them have been to some degree built around his frequently expressed conviction that "prison works".

The rights and wrongs of locking up criminals

But does it really? The best case study for assessing the validity of that belief is the US, where binging jails now hold more than 1.5m people. This is by far the largest per capita prison population in the world and a number that has tripled in just 15 years, quintupled in the last 25.

Although prison regimes vary widely, there has also been in the US a notable toughening in overall standards, with boot camps becoming more common for young offenders and chain gangs for disobedient ones. The death penalty is increasing too and is now legal in 37 states.

More pertinently, it is in the US where, despite equally vocal opposition from the judiciary, mandatory sentencing is furthest advanced. Compulsory

drug sentences date from the 1980s and are now complemented by other policies such as California's famous "three strikes" law, which requires anyone convicted of three felonies to receive a mandatory life sentence.

Already, it has led to life imprisonment for a pizza thief, a man who stole two bicycles and a number of marijuana smokers.

At the same time, the belief that juries might prove more reluctant to convict when the punishments are so harsh appears unfounded, and there has been no popular move to repeal the law. Many other states now have similar legislation on their books and even the federal government has instituted a version of its own. In consequence, arrests have

soared and both courts and the prison system have become gridlocked. Enormous prison building programmes have given rise to what has been termed the "prison industrial complex" - a self-reinforcing alliance of private prison companies and lawmakers with an agenda of continuing the expansion of the prison system.

Part of the reason for this building bonanza is that crime has started to fall in most big US cities, and politicians have not hesitated to link this happy circumstance with the rising prison population.

But the correlation is far from proven. In his attacks on Howard, Lord Taylor dismissed the notion that US sentencing practices helped reduce crime as little more than "wishful thinking".

Most academic research seems to support him. "In both the US and the UK over the last 20 years one of the few things on which researchers have agreed is that the certainty of punishment is a stronger deterrent than the type of punishment," says David Faulkner, senior research associate at the Centre for Criminological Research at Oxford University.

"Of course locking up huge numbers of people in America has some effect on crime but it's very expensive, and it's not proof that either tougher sentencing policies or prison regimes are successful."

Morris is even more scathing: "It is political irresponsibility that has generated the cancerous growth of imprisonment," he asserts.

Irresponsible or not, Britain has already gone at least some of the way down the US road, and if it goes much further, many involved in the prison service fear the consequences could be devastating.

Quite apart from humanitarian concerns, officials warn that the most fertile ground for prison riots is not a repressed environment, but one in which reform has raised expectations that are subsequently thwarted.

"The thought of trying to control a large prison population when there is very little that prisoners can gain for good behaviour fills us with complete horror," says David Roddan, general secretary of the Prison Governors Association. "As the proposals stand, particularly when you put

them in the context of planned staffing cuts of over 3,000, they are stupid and dangerous."

Nevertheless, today's reformers remain hopeful that, just as the failure of Victorian hard fare gave way to a more enlightened environment, improved penal regimes and rehabilitation will once again become a priority.

"Howard won't be home secretary for ever and we have witnessed swings in the penal pendulum before," says Nick Flynn, deputy director at the Prison Reform Trust.

The mission statement of the prison service, requires it "to look after [prisoners] with humanity and help them lead law-abiding and useful lives in custody and after release".

It is a goal derived from the best British humanitarian traditions. In the current UK political and fiscal climate it is one that is likely to prove increasingly difficult to meet.

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PERSPECTIVES

Lunch with the FT / Lucy Kellaway

A hairdresser who lifts, thickens and shines

Sorry, we're full, said the woman at Le Caprice, when I phoned to book a table for lunch. That's a shame, I said, because I'm having lunch with Nicky Clarke. Hearing the name of the hairdresser famous for cutting the hair of royalty, supermodels, and every other woman you have ever heard of, and famous for charging £190 a go, she changed her tune. I'll see if I can fit you in.

So on the appointed day I arrived at London's most fashionable restaurant, and there was London's most fashionable hairdresser, his black garments toning with the black and white decor. He could have been mistaken for one of the black-clad waiters were it not for his hair. There's sleek, dark, nicely cut. His was a mane of red-blond worn in a style that reminded me of the Bee Gees. But more of his hair later.

"Locy!" he said shaking my hand warmly. Instantly we were old friends. He had already ordered a Margarita, which came in a dainty glass with a pretty salty rim, and I decided to join him. I told him about the magic effect his name had had when booking the table, and he seemed well pleased.

"It's one of the few advantages of doing what I do. There aren't many. I get taxi drivers shouting at me, you know - 'Nicky, give us a haircut' - it's a nightmare."

We started a careful, thorough contemplation of the menu. "I'd like the tuna, but I'm not allowed the spiced lentils it comes with." He explained he was on a diet - the name of it sounded vaguely French - which forbids such things as carrots or potatoes and lentils.

"I was getting a bit soft around the middle, and I needed to lose a stone."

"Ridiculous!" I said. "You're not fat."

He undid the gold buttons on his jacket. Underneath he was wearing a black, skin-tight silky top tucked into black trousers. He took a tiny pinch of flesh above the black belt. "I've still got a bit further to

go," he said. He told me about how he goes to the gym, and dreams of developing a figure like Arnold Schwarzenegger. I said I would find it intimidating if my hairdresser had so much muscle. "Maybe you're right." He laughed and tossed his hair, sweeping it back with his hand, knocking over his almost empty drink as he did so. "Does that mean I can have another?" he asked.

With his second Margarita come our starters, mine a lovely concoction of tomatoes, pesto and basil, his a mountain of ham and cheese that did not look in accordance with any diet. Rather than a Schwarzenegger lookalike, I said that what I wanted from a hairdresser was someone who would not only

Apparently, even on their off days, both he and Picasso are still pretty good

cut my hair well but who would also be entertaining to talk to.

"Don't say that!" It seemed I had made a *fauz pas*. Apparently, hairdressers in his league most definitely do not talk while they work. "Sometimes I don't say a word."

This was a disappointment, because I had planned to find out what he and the Duchess of York talked about as he cut her hair. I later discovered that he could not have told me anyway: he had been made to sign the Official Secrets Act.

"Going into Buckingham Palace for the first time was amazing. Especially for me, being brought in in the Old Kent Road. I don't care what the media say about the Duchess of York. She is actually really charming."

Does Fergie owe him money, as the tabloids have claimed? "No! Of course not."

He also loved going to Downing Street to do Margaret Thatcher's hair. I was sur-

prised at the admission: if I were a hairdresser I would have kept quiet about having had anything to do with her. He quickly explained that he only did her hair once - a nine-minute session before she had her picture taken for Vogue magazine.

"I know this will sound unpolitically correct but I love her, and I loved her policies. It was such a mistake what they did."

I asked if he was star struck, expecting a standard denial. "I am, definitely, but I hope I am too cool to show it. But I did nearly blow it the other day, when I cut David Bowie's hair, and I showed that I knew a bit too much of his back catalogue."

So what was Bowie like? "Charming, absolutely charming." (I was getting the idea that this was a description to fit all his clients.)

Does it feel the same if you are cutting the hair of someone famous? "No, it's different when someone's job depends on what you do to their hair."

As we started to eat our main courses - swordfish and roast peppers for me and lamb and forbidden potatoes for him - he told me in detail what a Nicky Clarke hair-do consists of. First there is a long discussion. Then he sketches from three angles. Then more discussion, refining the sketches. Then he cuts.

Does he ever have an off day? "If you can do something really well, then you do it on auto pilot. I mean, it's like Picasso. Not that I'm really comparing myself to Picasso..." He then went on and did just that. Apparently, even on their off days, both he and the great artist are still pretty good.

For such a service there is a great demand. He explained with pride the complex rationing system he uses to make sure valuable appointments are distributed fairly. At 8.30 every Monday morning the phone lines open to take bookings for the week beginning 13 weeks hence. Ten minutes later four telephonists have booked him solid.

I remarked that this is the sort of scarcity value normally associated with utility privati-



Nicky Clarke: "People would probably pay £400, but I couldn't do it. It's too much for a haircut"

on issues. He looked puzzled and said that it is his wife who handles the business side.

But why not charge a lot more: if so many people want him to cut their hair, why not ration by price and charge £400 or so? "We could do that," he said. "People would probably pay £400, but I couldn't do it. It's too much for a haircut."

Anticipating my objection, he went on: "You could say that £190 is too much." But he then explained how his haircuts can make a woman feel

really good about herself. "You can pay a lot of money for an Armani suit, or you can get one at C&A." He touched my suit doubtfully. "Are you interested in fashion?" he asked.

I found this a little hurtful: my suit was new, it was one of the most expensive things I had ever bought, and everyone in the office said I looked really smart.

"But let's not get too serious," he said cheerfully, possibly mistaking my downcast

look. "It is not brain surgery, we are talking about. We are not talking about the Bosnian war. It is hairdressing."

I shifted the discussion to his appearance. Why is it, I asked, that hairdressers' own hair is often so, um, unstructured? "Maybe it's because they are mostly men and don't want a blow-dried bouffant." But surely he blow dries his, I said. No, he said, he didn't.

But why is it puffed up nicely above his head, whereas most people's hair lies down on

their scalp? "After I come out of the gym, I put loads of product on it."

I asked if I, too, could be helped by "product", and if so, which one I should buy. He glanced at my hair, and said without hesitation: "Lift, Thicken and Shine."

If I came with him back to his salon (where his 3.30pm was waiting) he'd give me some. I paid the bill (£93 with tip, which at half the price of the hairdo was a bargain) and we walked over to his salon in

a corner of Berkeley Square. He instructed the sleek girl behind the desk to give me a bottle of his own brand, Hairomotherapy, and then escorted me out to the pavement.

"I must give you a 30 second lesson on how to use it." Touching his own hair, he tweaked, pulled, and said something about blow drying it away from the roots.

Once in the taxi I took the little silver bottle out of my bag and looked at it. "For badly damaged hair," it said.

The sole survivor

Michael Shaw Bond visits Buddhist monasteries in India and Tibet

It came as a vast disappointment to set eyes for the first time on Tabo monastery, in northern India's Spiti valley. From a distance, one of the Buddhist world's most important homes of historic art looks less like a moostery and more like a drab collection of mud-brick bungalows, indistinguishable from the village that has sprung up around it.

But once inside, my disenchantment faded rapidly. The monks were in prayer and it was dark, except for a clutch of candle-flames flickering in the middle of the darkness as if suspended there.

There were sounds of chanting, an incessant drum-beat and the occasional crash of cymbals. The only movements were the flickering of the candles and the blur of the drummer's arm flung through the shadows. In the dim light I could make out the ancient, faded murals depicting scenes from the life of the Buddha which have given Tabo its reputation as a Buddhist jewel.

They are also very, very old. This month, the monastery celebrates its 1,000th anniversary. It is hosting a two-week Buddhist festival which will be attended by thousands of believers from India, Tibet and all over Asia, including the Dalai Lama, the exiled Tibetan leader. Many are also expected from the west. The monks have been preparing for months for this occasion, and there was a mess of construction work at the time of my visit.

The presence of the Dalai Lama at this festival is significant, for Tabo is more Tibetan than Indian. The Spiti valley is as isolated and as high as Tibet; it is cold, the air thin.

The religious writings on the monastery walls are in Tibetan; everywhere there are paintings of the great Potlala Palace in Lhasa and past Dalai Lamas, images of Maitreya and Tara and other Tibetan deities. Even Sonam Wangdu, the head monk, is a Tibetan, and was formerly at Ganden monastery outside Lhasa. He escaped to India at the same time as the Dalai Lama, settling in Spiti in the mid-1970s.

There is, though, a crucial difference. Tabo is an active monastery with a full complement of monks who recite scriptures and carry out unbroken the same religious duties as their predecessors 1,000



The Spiti valley in India: Buddhism is under threat in Tibet. Michael Shaw Bond

years ago. No monastery in Tibet has the luxury of such religious freedom. Indeed there are few senior monks still working in Tibet, most having been killed, imprisoned or forced into exile by the Chinese since the invasion in 1950. Those remaining are severely restricted in their practice of Buddhism.

You do not - in theory - have to travel far from Spiti to compare the fortunes of its monks with their counterparts in Tibet itself. Tabo is just a few kilometres from the Tibetan border, and less than 100 from the old Buddhist kingdom of Guge and the monastic towns of Tholing and Tsaparang in western Tibet.

In reality it is virtually impossible to reach Tholing directly from Tabo - the Himalayas and the Chinese border guards see to that. Instead you must cross into Tibet from Nepal or mainland China and travel for weeks on dirt tracks across the high deserts of the Tibetan plateau.

The Guge kingdom, with Tholing as its religious centre, is one of the most inaccessible places on Earth, hidden in the labyrinthine canyons of the Ishyritime river. In the 9th century Sutej river, in the 9th century it was the last refuge in Tibet for Buddhism, which had been introduced from India 300 years earlier but was at that time heavily persecuted by followers of Bon, the older, established Tibetan religion.

Later, the rulers of Guge encouraged the re-introduction of Buddhism to the rest of Tibet, the so-called "Second Diffusion". Tholing and its founder were at the heart of that renaissance.

Rinchen Zangpo, a Buddhist translator and one of the most

revered teachers of his time, founded more than 100 monasteries in the borderlands of western Tibet and northern India, employing Kashmiri artists to decorate them. The paintings at Tholing are similar to those at Tabo: bold and fantastically detailed, dignified in their faded elegance. But because of the Chinese occupation of Tibet those at Tholing are in a terrible state. I was shown around Tholing monastery by one of the few monks still allowed to live there (in pre-Chinese days there were several hundred). He regretted that because all the Chinese soldiers or had fled to Ladakh or elsewhere in India there was no one at Tholing who could divulge the meaning and history of its religious drawings.

This is the great threat to Tibetan Buddhism the country over - that its great scholars should die before passing on their knowledge to the next generation. It is also why the study and worship going on at Tabo and other Tibetan Buddhist monasteries in Spiti and Ladakh is so important. These places are the last remaining links in the unbroken chain of teaching which goes back to Rinchen Zangpo's era and beyond.

My monk guide took me into one of Tholing's main chapels, irreverently used as a wood store by the Chinese soldiers in the 1960s and yet to be cleared. It is a wreck. Nine out of the 10 Buddha statues which surrounded the large central image have been removed and the murals are streaked with lines of moisture from the leak-

ing roof. Still standing are several heavy wooden columns, an indication of the former wealth of the Guge kingdom: the nearest trees were in India and had to be carried across the Himalayas.

One wall painting in particular stands out in this chapel: it is vast, consisting of a series of scenes from a sky burial which depict the devouring of human limbs by hungry vultures. But it has been vandalised, and every vulture in it decapitated, the heads gouged out of the plaster by a chisel.

A neighbouring chapel is entirely without a roof. The wooden door at the front was padlocked and my monk said he did not have the key and was not allowed to because of "dispute with Beijing". He did not elaborate.

But I was left intensely curious and after the monk had gone I climbed over the wall of the locked chapel to investigate. I landed on the other side and stared ahead, aghast.

For on the wall immediately beyond the door was the outline of a large Buddha image. The image itself had been removed and the wall around it was peppered with holes from the bullets of machine-guns. There were no bullet-holes within the outline of the image itself, which had clearly been used for target practice by the soldiers who had sacked the place. Elsewhere in the chapel not a single statue remained and the floors were covered in rubble.

I discovered in one corner a pile of religious scripts, many of them black with burning, all of them with signed edges but some with written prayers intact and still visible. These had survived in the open for nearly 30 years, preserved by the cold and the dry air, as enduring as the religion to which they were accessories.

Of all the damage in that chapel it was the bullet holes which seemed the most repulsive, the most intrusive and profane. I knew that the same guns had also brought down a number of Tholing's human occupants. In a remote place like Guge the evidence of such events is easily hidden.

The unviolated surrounds of Tabo monastery are a world away, if just 100 miles across the mountains. One is an active religious community, the other an abandoned museum-piece.



QUEEN'S CUP POLO FINAL

with the Financial Times
Sunday 23rd June 1996

The FT invites its readers to enjoy a day's polo, on Sunday 23rd June at the Guards Polo Club, Smith's Lawn, Windsor Great Park.

Traditionally held in the presence of Her Majesty Queen Elizabeth II, this prestigious tournament has established itself as a highlight on the international polo calendar and is being sponsored for the sixteenth consecutive year by Alfred Dunhill. It is the culmination of a thrilling three week long league competition, in which world-wide teams compete for a chance to win the coveted Alfred Dunhill Queen's Cup, the highest possible accolade in international high goal handicapped polo.

The Financial Times has arranged Grandstand tickets at the exclusive price of £12.50 each (with a maximum of 4 per application), and this year we are able to offer one free car park pass per pair of tickets.

Tickets for this exciting event are limited, so if you don't want to miss the thrills of a summer day's polo at Smith's Lawn, please complete the coupon opposite and return it immediately to:

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HOW TO SPEND IT

Growing sources of garden delights

Lucia van der Post finds barbecues from Burma and pots from Mexico

Most of us know that run-of-the-mill gardening equipment - the plainest of benches, the gaudiest of umbrellas, the simplest of terracotta pots - is usually most easily found at the keenest prices, at supermarkets, out-of-town sheds and garden centres. However, there comes a time when something a little more special is on the agenda, when something a little more out of the way, more inventive, more decorative - even, dare I say it, more tasteful - is what you are after. Then the only answer is to track down some of the small and special shops that cater for the off-beat garden.

As gardening has become increasingly important to householders - even for those presiding over the smallest of outdoor patches - smaller, boutique-like shops have grown to cater for their needs.

In London, we are not short of choices. Places such as Clifton Nurseries (3a Clifton Villas, Little Venice), The Chelsea

Gardener (125 Sydney Street, London SW3); Patio (155 Battersea Park Road, London SW8); Avant Garden, 77 Ledbury Road, London W11; and Marston & Langinger (192 Ebury Street, London SW1) all offer interesting and unusual bits and pieces for the garden or conservatory.

Good sources out of town are on the increase. There are some specialist purveyors of garden antiques and statuary - notably Walcot Reclamation in Bath and Whichford Pottery in Warwickshire, which is a wonderful place to visit for pottery of all sorts - but, inevitably, it is London that continues to be spoilt for choice.

Hardly a week goes by without some enterprising new retailer discovering fresh and wondrous products.

This week, we have unearthed barbecues from Burma, picnic sets from France, traditional "beach shelters" from the wind-blown northern coast of Germany and hand-painted terracotta pots from Mexico. Here are just a few of the discoveries.



Apenn is a small, charming shop just off London's Portobello Road. A speciality, other than its charm, is hard to pin down as the merchandise seems to consist of a varied collection of throws, memory boards, hold-alls and assorted cotton-covered items.

However, for those looking for something a little different in garden furniture, its owner, Bimbi Bellhouse, has tracked down the owners of the traditional "beach shelters" used along the north German coast. The shelters are perfect for a cold, windy British garden or conservatory. Hand-made in a variety of finishes - from reed and willow to a white PVC weave - they can be upholstered in any fabric the customers chooses. The inner cushions can be removed and the seats all come with waterproofed zipped covers, which means they can be left out all year round if no storage is available.

The garden seat operates rather like a box of tricks with all sorts of options and optional extras available. The back of the seat can be fixed at varying angles - either upright or at some stage between that and horizontal so that users can lie flat and sleep or sunbathe.

There are two footrests in the base which can be pulled out to add a little idle lounging; there are two shelves for holding drinks and a sunshade can top the whole apparatus. Prices start at £2,000, plus the cost of 7 metres of fabric. Orders take four weeks. An example can be seen at the Apenn shop at 196 Kensington Park Road, London W11 2ES. Tel: 0171-782 2457.

Simpler, less expensive but perennially useful and particularly perfect for picnics is the campaign chair. Used by Indian Army officers during their travels, this collapsible chair is available with bonded and waterproofed fabric from the Apenn collection in three different colourways (red, blue and green). The wooden frame comes apart easily and the chair can be rolled up in its pouch and carried by a shoulder strap: £225 each (slightly less for a set of four) from Apenn.

Lucia van der Post



If you are looking for a standard task bench or a jolly plastic umbrella, you can go to your nearest department store, shed or garden centre. If you want something a little recherché, something with wit or charm, Judy Green's new shop, Garden Store, in London's

Hampstead, is a marvellous source of the off-beat. Aimed at those who want to make small gardens, patios, window-sills and yards more welcoming, it is filled with tempting ideas. There are terracotta pots, hand-painted by any one of a group of three or four different British

artists, as well as hammocks and hampers, trays and outdoor candles. Those who love the solid materials and honest workmanship of antique gardening tools will find a good selection - from hand-trowels at about £8 a pair, secateurs and spades, to

a range of garden furniture. Sketched here are just some of the things Judy Green has tracked down for her shop. □ French aluminium and raffia tea picnic set - £7.95 for the cups, £16.95 for the kettle and £15.95 for the tray. □ The galvanised iron watering can is a copy of a

Victorian travelling watering can (the spout fits into the can and the lid comes off), £43.50. □ A traditional Burmese barbecue, made from tough rose clay from the Irrawaddy river to a design used for hundreds of years, heats rapidly to a high even temperature and can be used

for roasting (by putting the lid on) or open grilling. With the lid on, you can stir-fry, simmer, braise or boil on the lid itself while inside a roast gently cooks: £38.50 for the small size. □ A garden hamper put together by Judy Green would make a splendid present for a

gardener. The French Provencal basket with cream calico edging and handle is £18; the hand-made terracotta pots are from £6.50 each, the small pot of ivy is £1.95, the teak plant bags, £2.95 for four, the green garden twine on a wooden holder is £9.95 and greetings cards are £1.25.

□ Terracotta outdoor candle on an iron spike, £26. □ Mexican fleur de lys wall glazed terracotta pot on a metal hook, £24.95. □ Garden Store is at 11 Flask Walk, Hampstead, London NW3 1JY Tel: 0171-435 3332.

Drawings: Margaret Keech

COLONY ANNOUNCEMENT

The Colony Co. Ltd. 11, Colindale Avenue, London NW9 1DA. Tel: 0171-975 2020

Natural and elegant

It is extraordinary to think that Crucial Trading is 10 years old. When it first started I remember greeting its arrival with rapturous joy, largely on account of the price and the extremely unpretentious nature of the product. Yet I opined that while it was perfect for country rooms and hallways, it was not for "elegant salons".

Today, all that has changed. Sisal, jute, coir and seagrass are to be found in the grandest of salons. Open almost any interior decorating magazine and, from stately manors to urban drawing-rooms, natural flooring is to be seen.

Prices remain good, the selection has widened, loose rugs, bound in tanning or contrasting colours are available, there are narrow runners for

stairs and today, to celebrate the 10th anniversary, anybody who goes to one of Crucial Trading's shops can buy anything from the range at half price. You cannot, unfortunately, do it by phone - you have to put in an appearance and pay for it today so anybody contemplating buying it in the near future should get their tape measures out and hurry along.

Harry Gold, for instance, a honey-gold, roughly woven sisal and my particular favourite, will be on sale at half price and the seagrass, normally £10.40 a square metre, will cost £5.20.

The shops are at Pukka Palace, 174 Tower Bridge Road, London SE1 (0171-234 0000); 79 Westbourne Park Road, London W2 (0171-221 9000); 4 St

Barnabas Street, Pimlico Green, London SW1 (0171-730 0075) and the factory shop at The Market Hall, Craven Arms, Shropshire SY7 9NY (01588-673666).

Besides Crucial Trading there are now many other companies offering flooring in a similar mood and spirit. Roger Oates has for some time specialised in making woven woolen runners which have something of the simplicity that Shaker style demands. Tough, hard-wearing and beautiful in their own quiet rustic way, they come in many different colour combinations.

Most have strong borders, reminiscent of the runners in so many Scandinavian interiors. New to his collection are his antiqued cotton runners - in soft colours, striped or plain

The unpretentious way to cover a floor

with striped borders, they all age beautifully and range in price from £44 for 70cm by 150cm to £84.50 for runners measuring 70cm by 350cm.

Roger Oates' range sells from his headquarters at The Long Barn, Eastnor, Ledbury, Herefordshire HR8 1EL (01531-632718) or by mail order - there is a beautifully illustrated full colour brochure available from the same address.

Lucia van der Post

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FASHION

Demure dignity of the well turned out

Jane Mulvagh is spellbound by the dress sense of two women from opposite ends of the social spectrum

I recently met two very different women, from opposite ends of the social spectrum, who reminded me that care over one's appearance is not only civilising but also magnificent. It can give pleasure to a neighbour and need not imply ostentation, vanity or an expectation of something in return - he it sexual attention or deference. It can, quite simply, raise people's spirits and make them smile.

The first woman was an octogenarian art collector whom I met at a Sotheby's lunch; the other was an impoverished young black woman whom I met at a church service.

These women shared the same demure dignity; both were clothed

and groomed with exacting care and without vulgarity, neither were sandwich boards for a fashionable label, just gentle reminders of the human spirit undiminished by adversity.

The old lady retained a girlish charm and femininity in spite of her years. She wore a ballerina-length, full, black linen skirt, a delicately pleated white lawn blouse and simple black pumps. Her snow-white hair was coiled into a chignon at the nape of her

neck and her frail, unpainted features sheltered under a broad-brimmed straw hat, trimmed with a black grosgrain ribbon. Two pearl studs were all the jewellery she wore.

Sitting alongside some fiercely cosmopolitan younger women dressed up in designer-brights, with all the aggression of fashion Fanatics, she, by contrast, conjured up the simple delicacy of a Chardin portrait. I was spellbound. After lunch, I went to sit beside

her and could not resist complimenting her on how she looked. Imagine my surprise when she told me that she was blind.

Explaining why she took such care in her dress, she remembered what pleasure being "well turned out" gave others, as well as herself, and the disability that struck 10 years ago had not blunted her largesse for pleasing others. Though slightly more effort went into her toilette these days, she still managed to dress herself by

feeling her clothes in her wardrobe.

However, when it came to shoes, she had to solicit the good eye of her gardener to confirm that she was wearing a matching pair.

Amid the smart hats in the Kensington church, the black woman had her own form of festive hat. It was an extravagance not of money but of time and care. For crowning her modest brown Macintosh and cheap, worn shoes was a coiffure

that must have taken many hours to construct.

Hundreds of tiny plaits, as fine as ink spaghetti, were coiled into his curls over her skull. The heart of each coil was decorated with a tiny golden bead and the edges of her hairline were wound into a scalloped border.

You could see members of the congregation smiling as they caught sight of her decorative masterpiece which was worn without attention-seeking affectation.

Neither woman's decoration invited envy, criticism or social division: the old lady was not festooned in rich jewellery or class-ridden shibboleths; the young woman was unburdened by any hint of a political slogan. Both simply gave pleasure because their presentation was careful, attractive and demonstrated self-respect and a delicacy of mind.

Decoration, freed from group conformity, commerce or status, is not frivolous, vain or socially divisive.

It is much-needed evidence of the human spirit untrod. Dress has an awesome power. It is a delicate tool that, if used with understanding, can give pleasure, and can build bridges and even heal.



The dress holds the key to style success this summer

With such a vast variety on offer, there is really no such thing as an easy choice during this Year of the Dress, writes Karen Wheeler

The dress has been designated as this summer's key wardrobe item and the issue is not whether to wear one but what style to buy. Given the enormous variety on offer, this is not easy.

Following the success of last year's shift, designers are offering everything from shirt-waist and tunic dresses to swingy A-lines and full-skirted 1950s styles. Add to this a mind-blowing selection of fabrics - from silk dupion to industrial nylon; prints that range from traditional splashy florals to startling 1970s wallpaper designs; and a palette encompassing acid orange and lime to sugary pink and lilac, and the choice is far from straightforward.

It is almost easier to say what is not fashionable - and pretty much the only thing that fails to qualify is the long, floral print tea dress that was such a hit in previous summers. Instead, most current styles hover on the knee or above and the look is short and

snappy rather than long and ethereal.

Despite such fashion dictates, the dress is a highly personal item and a much more difficult purchase than an office suit or a jacket or disguise a multitude of sins under a raincoat, the summer dress is not so forgiving and most of us have fixed ideas on the subject. Those with slender arms, elegant necks or well-toned backs will welcome cutaway necklines, halter necks or sleeveless dresses. For most people, such styles are a stumbling block. The sleeveless shift is merciless in revealing flaws and is deeply unkind to pale skin or less than perfectly honed upper arms.

Yet there are solutions. Salvation comes in the form of the cropped boxy jacket which many designers have provided as an optional extra to the floral print tea dress that was such a hit in previous summers. "A lot of women feel uncomfortable about having their upper arms and recent weather hasn't helped," says

Emma Newell, Harrods dress buyer. "Yet we have been selling sleeveless and short sleeve dresses really well, because we've also stocked short boxy or bolero jackets to match."

Yves Saint Laurent's square neck dress and cropped jacket in an ottoman fabric has sold particularly well at Harrods, where the dress and jacket has been identified as a winning combination (although in classic navy, red or gold and rich cream rather than dayglow colours). "Most of us are used to wearing a skirt and a jacket to work," says Newell. "A dress and a jacket seems newer."

It is a strategy that has been widely adopted elsewhere - Karen Millen offers minimalist cropped jackets which look very modern over her back-baring halter neck dresses and fondant coloured shifts with cutaway necklines. Nicole Farhi's checked sun dress also comes with a cropped single-breasted jacket. By offering the option of a jacket, designers have made the sun dress more versatile - allowing you to

dress it up or down. For those who consider a jacket too formal and for dresses which do not work well with a jacket, the solution is a cardigan in a matching colour - very chic fastened with one button over the shoulders.

So what are the key styles to note? The neat, slender shift

dress is still popular but styles have become more sophisticated. The latest models have a subtly flared A-line silhouette and added extras such as drop pockets or a silver buckled belt. They also look better with sleeves, evoking images of Courrèges' 1960s' silhouette. On the high street, Wallis's lin-

- Dresses, from far left:
- Rose print V-neck, floppy cap-sleeve dress in viscose, £186, by Jaeger London from selected branches of Jaeger. Stockists: 0171-200 4000. Featuring cap-sleeves and a fashionable V-neck this is a less austere alternative to the plain shift dress.
- Floral print dress with short cap sleeves in 100 per cent viscose, £110 by Max & Co at Harvey Nichols, Knightsbridge, London, SW3. Inquiries: 0171-235 5000. A very pretty floral print and forgiving cap sleeves give this dress special appeal.
- Cream sleeveless dress with satin trim at waist in viscose crepe, £220, by Paddy Campbell, 8 Goose Court, St Christopher's Place, London W1 (tel 0171-493 5646). A strikingly simple and understated dress with a bias cut that is flattering to most figures. Sleeveless but a matching cropped fitted jacket is also available.
- Navy/white spot print dress with draping detail in pure silk, to order from Catherine Walker, 65 Sydney Street, London SW3 (tel 0171-352 4626). Currently the most popular style at Catherine Walker and to try it on is

- to understand why - it fits like a silk glove. Very expensive but likely to prove very useful for many seasons.
- Lemon dress with contrasting white band, £145, and matching jacket £169, both in 100 per cent viscose, by Liberty Collection (tel: 0171-734 1234). A good sun dress for smart summer functions, this bares the neck and shoulders but has the option of a matching jacket if the weather is chilly.
- Lilac ottoman shift dress with drop pockets £125 from the Philosophy range by Alberta Ferretti, from Dickens and Jones, Regent Street, London W1. Inquiries: 0171-963 2236. This is a very modern take on the summer dress with hints of the 1980s' Courreges look. It features short sleeves and a flattering neckline and is very easy to wear.
- Dusty pink silk chiffon bias cut dress, £395, Maria Graziovogal from Liberty, London W1. Stockist inquiries: 0171-581 8180. The appeal lies in the beautiful fabric, exquisite colour and cut. It is also highly individual and you are unlikely to bump into anybody wearing anything like it.

Illustrations: Kim Dalziel

en/viscose mix shift dress in mauve or apple green (£48.99) features a modern hipster, silver buckle belt.

According to Liz Tilberis, editor of American style-bible Harper's Bazaar, nobody cuts a shift dress quite like Catherine Walker - which probably explains why Walker's Sydney Street salon is buzzing at this time of year. Her dresses are not cheap but there are many women who feel that £90 plus is a fair price to pay for a silk dress which fits like a glove and feels like a dream and which will take them seamlessly from summer wedding to school open day.

The season's most hyped dress is the hutton-through shirt dress. In unexpected fabrics such as silk dupion, these can look very pretty - for example, Whistles silk shantung shirt dress (£95) in colours ranging from olive to lilac - but need to be chosen carefully. Safari styles - originally made famous by Yves Saint Laurent - are a better option. Current hot designer Patrick

Cox has picked up on the theme with a cotton hutton-through version with tab pockets while Saint Laurent's own current reworking of the theme comes in cotton gabardine at £475.

After fixing on a shape and style, the biggest decision is whether to opt for print or plain colour. In print, hold splashy florals look best. Wallpaper and 1970s soft furnishing prints might be quite the thing on the catwalk but all but the most expensive designer versions look dreadful in real life. These may look terrific for now but they will date faster than you can say "Frade".

Fabrics this season range from crisp, cotton piques to futuristic synthetics. Fabrics with surface interest - satins, brocades or shimmering effects - and stretch properties are very popular, particularly in icy pastel colours.

The Philosophy range by Alberta Ferretti has summer dresses in delicious colours and fabrics including a lilac silk organza shift with appli-

qué flowers (£419) and a silver of lemon silk organza with a square neck and buttons down the back (£18 from Selfridges).

MaxMara has some of the best floral prints in a variety of styles. Favourites are a splashy yellow sunflower print on a cotton dress flatteringly cut to flare out from under the bust (£365) by Weekend by MaxMara; a belted pink Gardenia floral print dress with short sleeves (£139) and a black sleeveless shift featuring splashy pink cabbage roses (£156).

Despite the dismal weather, Episode's poppy print, 1950s-style sun dress has almost sold out. Also worth considering are Penn Wright and Manson's floral print A-line dresses or brightly coloured linen polo dresses which have little hanger appeal but look good with flat thong sandals or beach shoes and are perfect for holidays. Finally, Joseph's robust metallic nylon shift dress in blue (£135) might sound unappealing but looks beautifully and uncomplainingly modern.

PROPERTY

Sporting life is still a luxury

Gerald Cadogan looks at the prices for grouse moors and deer forest

June is a wise time to buy a grouse moor or deer forest. By August 12, when grouse shooting starts, or late September and early October when the stags are at their best, it is too late.

Sporting estates are luxuries and usually a drain on their owners' purses, whether they are old Scottish lairds or businessmen traveling north to bag a trophy.

A large estate in the Highlands, or on the west coast, can cost as much as £100,000 a year to run unless the owner lets some of the shooting, says William Jackson, of agents Knight Frank in Edinburgh. The annual bill for a keeper and stalker (and a ghillie, if there is fishing) will hardly be less than £20,000 apiece.

Most owners, says Jackson, are happy to take the first days of the grouse and stalking seasons for themselves, which should make a glorious late summer of sport. Then they could shoot for pheasant, while letting out the latter days on the grouse moors.

Few grouse shoots are for sale which makes it a difficult market to judge. Prices usually combine a value for the land and buildings with a multiplier of the long-term average of grouse or stags shot. This long view smoothes out disastrous years such as 1993 when some estates did not entertain grouse shoots at all. That year it was important to conserve stocks after bad weather had stopped birds hatching.

Keepers will know later this month if 1996 is likely to be a good year. Estates often wait for these first counts before confirming the let shooting and may leave September days open until it is clear how



A large estate in the Scottish Highlands, or on the west coast, can cost as much as £100,000 a year to run

the game is progressing. It is essential, says Jackson, that an estate is not over-shot to derive income.

Moor management also means controlling foxes and other predators that take young birds. Sections of heather have to be burnt, year by year, to encourage fresh growth. Grouse hatch in the heather - and it is their food.

Sheep are the other big threat. Once they start nibbling the heather, it dies and the moor turns to grassland which offers no protection or food for grouse. Overgrazing is often the explanation for moors "in need of improvement". The first task is to move the sheep.

In Scotland the multiplier for capitalising driven grouse is likely to be more than £2,000 a brace, Jackson estimates. For stags it is £10,000 to £12,000 per stag, down from a few years ago. But, as the last three winters have been good for stags and Scotland has plenty of deer that need culling, the fall has little effect on an estate's capital value, with more animals to balance the lower value per animal.

In northern England grouse values are higher at around £2,500 a brace, says George Winn-Darley, of Lowther Scott-Harden. If only the sporting rights are for sale, when there is no grazing value for the land, they will be "a bit less". Yet the long habit of valuing sporting estates on a head count of deer may be ending. Scotland has 2 1/2 times as many deer as the land can stand. Anthony Hart, of agents Bidwells, prescribes a change of attitude. Private owners must either do something about deer or they will find that Scottish Natural Heritage - or parliament - will force them to.

In future, he suggests, capital value will depend on the self-

sustainability of estates. Already, continental buyers are less interested in historical sporting records and more interested in asking: "What can the estate sustain in the future?"

Bidwells has just recruited Philip Ratcliffe, who headed the Forestry Commission's environment branch, to advise private owners on ecology.

The 18,600-acre Dalnacardoch estate, near Dalwhinnie in Perthshire, once part of the Atholl estate, scores highly on environmental grounds. A beautiful tract of the Grampian Mountains, it sits above the A9 on the watershed between the Tay and the Spey river systems. The heather thrives as it is too high for bracken to choke it and the estate does not graze sheep.

But there are foxes. When I visited, the keeper was out on the hills shooting them. Dalnacardoch still brings stags off the mountains by pony and the place is a deer stalker's paradise. Last year it produced 160 stags (and 57 hinds all shot by the keepers).

It is also good for grouse, with 465.5 brace last year and a five-year average of 524 brace. Recent letting rates have been £250 a stag and £45 to £50 a brace for walked-up grouse (rough shooting) for a specified 30 or 40 brace. For driven grouse the going rate is £85 to £90.

The dilapidated old lodge near the A9 was built as a public inn on the orders of George III. It would make an excellent French-style restaurant *avec chambres* - which is how it began. Savills is seeking offers of more than £2.5m for the whole estate. Land agent Jonathan Henson, of Savills' Perth office, looks after the place and hopes the new owner will keep him on.

In Argyll, on the warm west coast, two estates new on the market front on to sea lochs and offer mixed sport. Knockdown on Loch Striven (5,000 acres, Bidwells seeks offers over £2m) also has holiday lets and good forestry including deciduous trees.

Rahoy on Loch Sunart (2,933 acres, Knight Frank, offers over £650,000) has sea fishing, some grouse and about 12 stags and 15 hinds a year.

In England, grouse shooting over 2,962 acres at Wellhope, near Carrsfield on the Northumberland/Cumberland border (Lowther Scott-Harden, offers over £400,000) has "potential for improvement" - too many sheep. There is also a 612 acre farm with a gross income of £11,500.

Bidwells, Perth (01733-630666); Knight Frank, Edinburgh (0131-225 3171); Lowther Scott-Harden, Buxell (01661-843168); Savills, Edinburgh (0131-226 6961).

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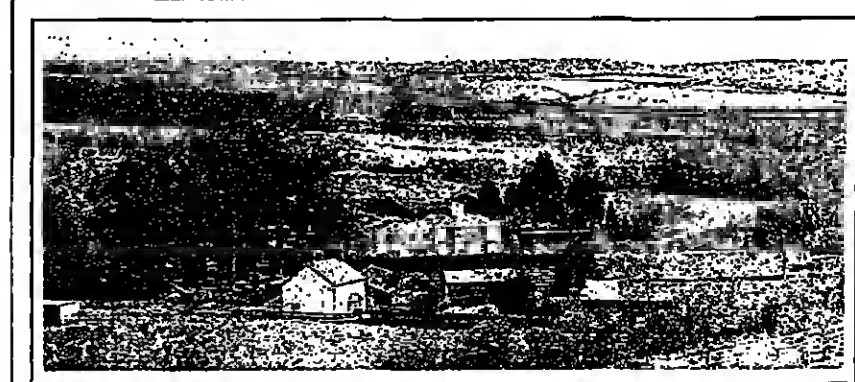
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Stopping for a chat in an old Ethiopian city

Mention to any Harari the name of Richard Burton, the first British explorer to visit the old walled Muslim city of Harar in Ethiopia, and all you will get is a blank stare and a shrug of the shoulders.

But mention Arthur Rimbaud, the sensual, romantic French poet-turned-trader who came 25 years after Burton to spend the last decade of his life there, and people will smile and lead you to the house in which he was supposed to have lived.

Why? Perhaps Rimbaud had a character more amenable to Harar's own distinctly hedonistic tastes.

"My day is done; I am leaving Europe," wrote Rimbaud after his emotional rupture with that other sensitive romantic, Verlaine. "The sea air will burn my lungs; lost climates will tan my skin. I shall swim, trample the grass, hunt, above all smoke; I shall drink liquors as strong as boiling metal. I shall return with limbs of iron, bronzed skin, and fierce eyes; from my mask I shall be judged to be of a mighty race."

As a restorative programme it sounds a little wild. I have no idea if Rimbaud actually indulged in the extended binge he was looking forward to, or if it did him any good in the end - he returned to Europe in 1891 a sick man and died within weeks. But certainly if he intended to tie one on, Harar was the place. Most Hararis do it every day.

I spent my first morning in



Richard Burton: explorer

Harar market: there is a brisk trade in the city in a commodity that today competes with coffee as the front-runner of the local economy

Photos: P. P. P.

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Harar sitting in the Wesen Seget, a bar by the old horse market in the middle of town. Full of idle café loungers, it is a converted warehouse where Rimbaud once kept the trade goods he exchanged for ivory and hides, civet musk, gum, and the celebrated highland coffee of Harar. But feeling neither poetic, nor love-crossed, nor in a grass-trampling mood, I was not inspired by the poet's example: I was drinking nothing stronger than mineral water.

On the far side of the square, though, I could see a brisk

trade going on in a commodity that today competes with coffee as the front-runner of the local economy. *Chat*, or *catha edulis*, to give it its scientific name, has been in use even longer than coffee on both sides of the Red Sea. In Yemen, in Saudi Arabia, in Djibouti, in Somalia, in Ethiopia - anywhere in the region where Muslim tradition forbids the use of spirits - *chat* is a popular and much-traded intoxicant. It is the scotch of the Horn of Africa.

I strolled over to take a look. *Chat* looks about as interesting

as any small, green leafy branch does. But the women selling it were magnificent.

With a long and turbid history, Harar, 800 years old, is a mixed salad of racial types. It is today the heart of an Islamic culture brought to Ethiopia during the time of Mohammed, and considered by Muslims the fourth-holiest city in the world. It was not only a city of learning, as a thriving commercial city-state linking the Arab-dominated Red Sea coast to the Christian highlands to the west, it attracted traders from across the Horn and beyond.

"Not the highest quality for good chewing," came a voice from over my shoulder as I contemplated the bangles and nose-rings of wild-looking Oromo women, the long faces of Somalis from the deserts of the Ogaden, the urbane sophistication of Harari people themselves. "But the softest leaves from the top of the stems are still fine."

Endale Teffra, a short, plump, friendly man, long ago gave up *chat*-chewing as a daily pastime; it made him lazy, spoiled his appetite, turned him into an insomniac and angered his wife. These days, he explained as he bought the tenderest bundle of *chat* he could find, he just dabbles - well away from the conjugal nest - on odd weekends.

But that, he told me as we strolled off between the high, whitewashed stone walls of Harar's alleys, is not so for the town as a whole. When the

French built the railway from Djibouti to Addis Ababa at the turn of the century, Harar lost its pre-eminence as a trading centre and much of its dynamism too. Side-lined into history, it follows slower, more languorous rhythms today - *chat* capital of Ethiopia, the city's culture, commerce and timetable now revolve around the little green shrub.

"Look," Endale pointed around. "Where are all the people who just an hour ago crowded the streets? They have been to the market, prayed at the mosque, and now are all at home chewing *chat*."

He was right. Apart from the lines of tattered, bearded beggars reclining on shady sidewalks, the hot noon-time streets were deserted. And even then, I noticed, were not unemployed, but busy tearing leaves from stalks and popping them into bulging cheeks. One old man with no teeth for

chewing was pounding a wooden mortar with a heavy pestle, churning up a dark green mess that looked like baby-food spinach.

Endale knocked at an alley-side door and we were admitted into a walled courtyard. As in most parts of the Islamic world, the pleasures of private life in Harar are kept quite separate from the open hard realities outside - the high, airy, open rooms across the courtyard had little to do with the begging lepers, the roving street children, the refuse-munching goats in the broken streets beyond the walls.

Yet Hararis are among the most gregarious and welcoming of people. Already lying relaxed on rugs and bolstered by cushions - Harari sitting rooms are really reclining rooms - Endale's friends Shaki and Muktar welcomed us with a smile and non-stop, *chat*-charged conversation.

Arthur Rimbaud: romantic

Shaki chews every day, and usually in company - his house has all the voluble sociability of a bar in a private men's club. I was hidden to remove my shoes, shown a place to repose, and had placed before me all the comforts of civilised male society - cigarettes, tea, and a large, leafy bundle of *chat*.

If Muktar had not insisted on repeatedly passing me handfuls of select and tender leaves I doubt I would have got past the first mouthful. The stuff tastes just as you imagine green leaves might taste - vile. Pink gin is so much easier.

Eventually, though, I thought I began to see the point of it all. The world becomes more pleasant, friends more convivial, and while the body has no desire to make the slightest effort, the mind jumps lightly about with pleasure and agility.

Marco Polo, Cervantes, Orwell, Machiavelli, Chinese politics, mad cows, the Cuban missile crisis, the royal family crisis, inert and horizontal through the torrid afternoon, Shaki was all over the place, gambolling through these subjects and a dozen more. We talked, we chewed, we talked some more. Shaki, who rarely quits the walls of the city, feels no need to. At his fingertips he has books and novels, a radio tuned to the BBC, and *chat*. What matter the world of real needs?

Before I realised it the day had passed us the way history had passed Harar; dusk was falling and birds were gathering in the trees. Would I not stay and chew a little more?

Dreamy, I declined. My eyes were feeling far from fierce. My limbs were not like iron at all. No one in their right mind would have judged me of a mighty race. I would, I decided, leave such things to Rimbaud.

Nicholas Woodsworth

THE SACRED ART OF TIBET

A SPECIAL VISIT TO BHUTAN, TIBET AND KATHMANDU
23 March-13 April 1997 and 22 March-12 April 1998

This is a journey to the Himalayan Kingdoms of Bhutan and Nepal and onward to Tibet to learn more of the magnificent, yet scarcely understood sacred art of Tibet.

Our visit will be all the more memorable due to our good fortune in obtaining permission to visit the Pardo Festival in the truly Buddhist Kingdom of Bhutan. Here in the splendour of their ceremonies and traditional costumes we shall have a rare opportunity to see and begin to understand the meaning of Tibetan religion and art and gain further insight into their way of life.

For centuries, Tibet has lured Buddhist pilgrims and foreigners alike despite its geographical isolation and unmapped lands. Our access by air from Kathmandu will be quick and comfortable. Yet immediately upon arrival in the heart of Tibet at Lhasa we will have stepped back in time to a land that until recently had seen little change.

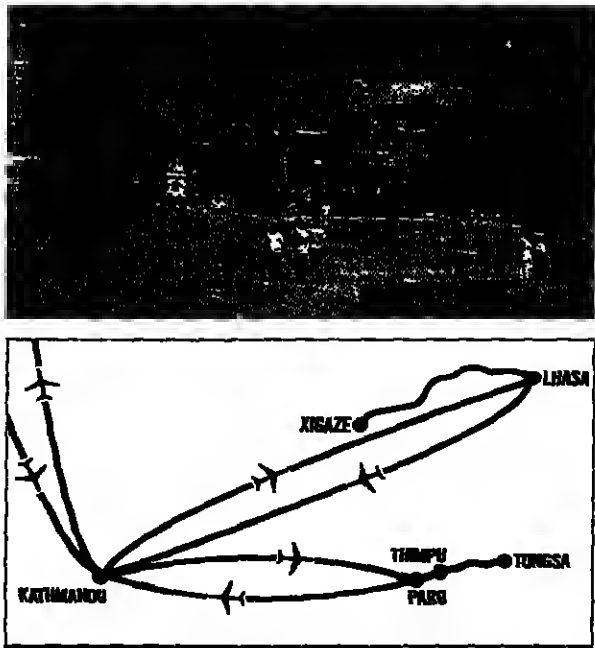
Similarly Bhutan, 'The Land of the Dragon' is hesitantly opening its doors and allowing a strictly limited number of travellers across its borders. Today's visitor is shown a fascinating society which is

untouched by the modern world. Isolated, like Tibet, by its towering peaks of the Himalayas, its culture and traditions have remained constant for hundreds of years. And in Kathmandu, old and new rest side by side, the array of Hindu pagodas and Buddhist Chaitiys a sculptors dream.

It will be an outstanding journey of appreciation of these mountain peoples, their art and the stunning scenery they inhabit. A monumental trip undertaken with a degree of comfort, although some accommodation whilst charming, will be of a simple style.

THE ITINERARY

DAY 1 London (Gatwick) - Kathmandu
DAY 2 Kathmandu Arrive mid-afternoon and stay 3 nights.
DAY 3 Kathmandu Visit the richly carved Pagoda Temples of Durbar Square, the ensemble with its superb 12th-14th century Nepalese bronzes and the Monastery of the Living Goddess. Also visit the great Buddhist stupa of Swayambhunath.
DAY 4 Kathmandu Drive to Patan and see Durbar Square and the Palace Complex. In the afternoon visit the great Temple of Pashupatinath, the holiest of Nepal's shrines.
DAY 5 Kathmandu-Paris Fly to Paris and stay overnight. On a clear day the flight affords breathtaking views of the great Himalayan peaks.
DAY 6 Thimphu Drive to Bhutan's capital since 1955. Here in the broad fertile valley of the Wang Chu River, visit the National Library which houses a splendid collection of ancient manuscripts and the traditional Medicine Institute, where centuries old healing arts are still practised. Time permitting visit the Handicrafts Emporium or witness a mask and folk dance performance by the Royal Academy of Performing Arts.
DAY 7 Thimphu Visit the Tashicho Dzong, Bhutan's administrative and religious centre on the banks of the river and the historic Simtokha Dzong which houses the Pigeon School for Monastic Studies.
DAY 8 Tongsa Drive through the thickly forested mountain roads to Tongsa to see the impressive Tongsa Dzong, the ancestral home of Bhutan's royal family. Stay overnight.
DAY 9 Thimphu Return to Thimphu at a leisurely pace, driving through magical countryside. Stay overnight.



DAY 10 & 11 Paris A short drive takes us to Paris to attend various festival celebrations and visit the Rimpoung (Pardo) Zong, a treasure house of art and writings. There are splendid views of the whole valley. Permission will also be sought to visit the Tashang Monastery known as 'Tigers Nest' precariously situated on the edge of a sheer cliff.
DAY 12 Paris-Kathmandu Fly to Kathmandu. Stay 2 nights.
DAY 13 Kathmandu Drive to Bhadganj and see the Golden Gate, the Five-storied Nyatapola Temple and the Palace of Fifty Five Windows. Stay 2 nights.

DAY 14 Kathmandu-Lhasa Fly to Lhasa and stay 3 nights.
DAY 15 & 16 Lhasa Visits will be made to the Great Potala Palace, founded in the 7th century and added to and restored through the ages. See the decorated halls with their fine wall paintings, the magnificent funerary pagodas, ritual vessels and porcelain. Also see the 7th century Jo Khyang Monastery, an important Pilgrimage Centre and the Summer palace.
DAY 17 Kigaze Drive across the vast Yangtze plain to Kigaze, and cross the Brahmaputra River to Kigaze. Stay 2 nights.

DAY 18 Kigaze Visit the Tasharung Monastery, one of the six great centres of Lamaism. See the Panchen Lama's throne in the Great Hall, the 15th century wall paintings and some fine statues. Later see the market and the Shaly Monastery founded in 1040.
DAY 19 Lhasa Drive back to Lhasa for a night stay.
DAY 20 Lhasa A leisurely day visiting a market and the Dragong Hillside Monastery built in the early 1400's, once the largest and richest monastery in the world.

DAY 21 Lhasa-Kathmandu Fly to Kathmandu. Stay overnight.

DAY 22 Kathmandu-London (Gatwick) Day flight arriving in the early evening.

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|------------------------|-------|
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| 22 March 1998 | £5070 |
| Single room supplement | £550 |

Prices subject to exchange.

Price includes: Economy class air travel, accommodation in first class hotels, Kathmandu and Lhasa and best available elsewhere, all meals except breakfast only in Kathmandu, all excursions, local guides, entrance fees and donations, UK departure tax, Guest Lecturer, Tour Manager. Not included: Travel insurance, visas, airport taxes, gratuities.

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Vichy seeks a new cure

Andrew Jack on an ailing industry

The spacious turn-of-the-century houses overlooking the River Allier in Vichy no doubt justify the grandiose name of Boulevard des Etats-Unis. But judging by the high concentration of brass plates on the doors, the road might well have been better named Boulevard des Médecins.

For a settlement with a population of less than 30,000, Vichy is home to 120 doctors, with at least 70 specialising in "thermalism" - or the curative effects of spring water - for those who live locally, but particularly for the thousands of visitors who arrive each year seeking relief from their ailments.

Walk around the town, with its grand avenues, parks, hotels, public buildings and shops, and there is little doubt of the importance of the money brought in by those seeking the waters - an activity important at least since Roman times.

Vichy's reputation took on a different and more damaging tone during the second world war, of course, when it became the headquarters for the government of Marshal Pétain - a decision itself partly linked to the abundance of hotel space providing lodgings and offices for his collaborators.

Since then, much has been done to dispense with that legacy. The administration certainly wasted no time in attempting to wash away the memory. Place Charles de Gaulle, Place de la Victoire, and Boulevard Président John Kennedy are among the names that dominate the street map today - alongside, of course, Avenue Thermale and the Parc des Sources.

"Maybe one in a thousand people think about the Pétain era when they think of Vichy," Michel Coulet, director of the recently-opened Celestins hotel and health complex, says dismissively. "It is marginal. Most people couldn't care less."

Without diminishing the ugliness of the Pétain era, the forces that have most shaped contemporary Vichy remain most closely linked to its numerous hot and cold thermal springs. The mineral-enriched waters have spawned numerous industries, whether bottled directly, or used as an



Vichy, shaped by its thermal springs

French Picture Library

ingredient in the white Vichy pastilles and the L'Oréal cosmetics brand.

Yet the basis for the town's success was, above all, its baths. From 1888, the French state granted the concession for the water to Compagnie Fermière de Vichy, which built treatment centres and recycled some of its profits into developing nearby shopping, parks, opera and casino facilities.

Walking round the recently renovated Centre Thermal des Dômes, with its Ottoman-style towers and facades, you see canteens in white robes and towels weaving their way between swimming pools, exercise areas and a series of cubicles in which they are hosed down, covered in mud or soaked in the water pumped directly into the building.

Vichy's own trademark is the extremely popular four-handed massage, during which two masseuses (all are women) spend 10 minutes rubbing different parts of the patient's body as high pressure water descends from a series of outlets.

Each of France's 100-odd thermal centres has its own speciality. For Vichy, it is rheumatology and digestive problems. But does it work?

clients will simply go elsewhere with their fees and find a consultant more sympathetic to their beliefs.

It is no coincidence that at the entrance to Thermes de Vichy, the town's second centre, right opposite the Dômes, is an office operated by the social security system, providing help for those battling with the paperwork for refunds from the state.

Madame Lepret stresses that only 0.5 per cent of France's annual "social" budget is spent on thermalism, and that those who use it consume fewer drugs, hence helping to reduce national health care expenses.

Yet thermalism is clearly on the decline. Social security now only reimburses up to 65 per cent of the cost of a cure, and none of the accommodation and eating expenses. There are even reports now of some curists camping outside the town.

Even before the cutbacks, many point to a glorious period up until the 1940s when reimbursement was hardly a priority. During the first half of the century, 125,000 visitors a year, including many rich North African families, spent lavishly in seeking treatment for the "colonial egg" or over-consumption.

"There used to be a real artistic season," laments Madame Lepret. "The station was à la mode." Today, there are only 13,000 people a year who make the trip, most of whom are retired and appear to have little inclination to spend more than the minimum during their stay.

That explains why the new luxury Celestins centre, recently sold to its own management, is shifting its emphasis. It still offers its competitors' array of massages and fitness sessions, but it is focused on a youthful, high-spending thirty-something clientele, offering long weekend breaks and options such as personalised nutrition.

Coulet, its director, puts it bluntly: "Vichy can no longer live by thermalism." His alternative strategy may well be a more realistic one. But it is certainly not good news for the town's dozens of specialist doctors as the past generations of curists die out.

TRAVEL

Irish country house charm

Charlie Malzard still remembers, with obvious relish, the days when the McCalmonts lived at Mount Juliet. And so he should: old Major Victor McCalmont used to buy all his drink from him.

Do not imagine that was a trifle. In those days, says Irish country house authority John Colclough, Mount Juliet was run on the lines of a "grand turn-of-the-century hotel".

"I've still got some of that 1975 Charles Heidsieck champagne which the Major used to like down in the cellar," says Malzard from behind the bar of his pub in the nearby village of Stoneyford.

Apparently Victor's wife Bunny (who died in classic Anglo-Irish style: after falling off her horse) used to ring up whenever she had been up to the races at the Curragh: "Charlie, would you mind sending up some drink, I've invited some people to tea."

Oh, and they bought a bit of Guinness too. When the weather was fine the Major would seat himself on one of the great stone halls outside the front door, with a huge bucket full of beer and a collection of mugs. As the estate workers came past the house he would dish them out a jar.

Until the McCalmonts sold the house, an invitation to Mount Juliet used to be a red letter day for the generally impoverished survivors of the old "West British" set in Ireland. Of all the grand houses, only Mount Congreve could match it for splendour. A valet unpacked your case for you, and footmen stood behind every chair at dinner.

The McCalmonts were not a classic Anglo-Irish family, however. As Colclough points out, in one sense they were too Irish, in the other too English. Their roots were in Antrim in the north, but by the late 19th century they were ensconced in Cambridgeshire with the racing crowd.

Harry McCalmont was MP for Newmarket. In 1894 he inherited the fabulous sum of £4m. Eight years later he died at the age of 41. His wealth went to Dermot McCalmont, Victor's father, who was then just a boy.

Mount Juliet was still the property of the Butlers, Earls of Carrick, then. When the McCalmonts had got richer with the century, the Butlers had got steadily poorer. The McCalmonts began to rent the vast Georgian house in Kilkeny from

the beginning of the century. In 1814 they bought out the Butlers. The McCalmonts never abandoned their connection with the turf. They were at home in the world of racing. Ballylinch Stud came with the house. It was here that the Tetrarch, "the fastest horse in the history of the turf", lived and died.

Horses in various incarnations are still part of the appeal of Mount Juliet. When the McCalmonts could no longer afford to keep it up it was sold to Dr Mahony, the owner of the Toyota franchise for Ireland. Mahony uses sport to sell the hotel to its European and North American clientele. There is a golf course and clay-pigeon shooting.

The big house sits on a high bank above the River Nore with its plentiful trout. It dates from the 1700s and many of the ground floor rooms betray the influence of the Adam brothers. The best is the dining room, with its Wedgwood medallions. I slept in the Mount Juliet suite on the first floor where the chimney piece in the drawing room, with its crossed flutes and violin bows, suggested it might once have been a music room.

Mahony has recently installed Martin Nicholson to look after it all for him. Nicholson used to manage hotels in the Caribbean, but he is used to Ireland: he was born in Waterford which is only just down the road.

One of Nicholson's first moves has been to import his old chef from Caneel Bay in the American Virgin Islands. Up until now the kitchen has played too safe. The new chef, Frenchman Denis Meunier, has a perkier, more eclectic style.

One lunchtime I drove to Graigueamnah, a small town with 13 pubs and a pretty Georgian bridge over the Barrow. The Waterside (503 34246) has modern cooking and a well-chosen wine list.

Like Mount Juliet, the Waterside is evidence of a gradual process of modernisation in Ireland. Mount Juliet has seen such metamorphoses before: its charms were always available for a price, only now you do not have to wait for an invitation, and the cellar is still full.

Information: Mount Juliet, Thomaston, County Kilkenny, Ireland. Tel: 00 353 (0) 56 8488. Fax: 23522. Prices for a double from £140 (low), £175 (mid), £205 (high).

Giles MacDonogh



The South Alligator River in the Kakadu National Park

The flames rolled quickly through the undergrowth flaring upwards here and there with noisy crackles as they fed greedily on the driest clumps of brittle stems.

The hot midday wind fanned the fire forwards and it raced up the desiccated flakes covering the trunks of several paperbark trees, licking at the limbs above. It burned through the drooping dead fronds of a pandanus palm but moved quickly onwards.

Behind it, blackened logs smouldered in its path. Ahead, grasshoppers leapt to safety while stick insects staggered shakily away on either side, just the sort of tucker the black and whistling kites, circling through the rolling smoke, would swoop down to snatch. Another of Kakadu's controversial fires was well on its way.

Kakadu National Park, in Australia's Northern Territory, is the size of Wales and has now been accorded World Heritage Site status because of its cultural and wildlife importance.

The aboriginal people, or bininj as they prefer to call themselves, have lived here for thousands of years, coming down from the Arnhem Land plateau when the wetlands developed around the mouths of four rivers - the East, West and South Alligators and the Wildman.

These perennial wet areas attract water birds, particularly magpie geese, in spectacular numbers as marshlands elsewhere, created so prolifically in the rainy season gradually disappear in the dry.

They are also home to numerous fish species, notably barramundi, and to turtles. The bininj thrived and it is estimated that about 2,500 lived here, inhabiting rock shelters, which they decorated liberally with increasingly sophisticated paintings, and moving around their territory to hunt, burning as they went. For bininj, fire is a way of clearing up the bush and a burned area is a source of satisfaction. The display in the new, turtle-shaped, Waradjan cultural centre, which complements a nearby hotel constructed in the shape of a crocodile, explains that fire was used as an agricultural tool, a way of farming the bush, clearing some areas to make hunting easier and to reduce the danger from snakes, and encouraging a flush of grass to attract mammals. It was also used for signalling and, in some situations, it had a spiritual significance.

Kakadu is controlled by the traditional aboriginal owners who have a majority on the board of management. The day-to-day running is carried out by the Australian Nature Conservation Agency. Jeremy Russell-Smith, park projects officer and fire specialist, told me

Finding the fire people

Michael J. Woods visits Kakadu National Park, in Australia's Northern Territory

to Gulungul Spring in a rainforest filled gully and, as we ducked and weaved among the webs of spectacular venomous female golden orb spiders, he explained that the area has always seen fire, generally from lightning strikes in the late dry season when the burden of dry material was at its greatest.

Hot fires would rage down from Arnhem Land travelling for hundreds of miles and causing great destruction. The skill today is to create cool fires in the early dry season in order to protect areas such as the endemic *Alloceurus* rain forest, through which we were walking, against the risk of much hotter and destructive fires later in the year.

Russell-Smith is currently training staff in the best use of fire. "We put fire into the landscape to work for us," he told me. "The art is in doing it sensitively, to burn as little as possible to maximise the desired effect."

Although the palls of smoke hanging over Kakadu in July might suggest otherwise, this park is

about much more than fire. I twice took a cruise on Jim-Jim Creek, which leads into the South Alligator River. Its entire catchment falls within the protection of the park. I shared the late afternoon boat with a party of school students from Melbourne desperate to see a crocodile. Our first sighting had them all hanging over the rail, almost providing the reptile with his supper.

On an early morning cruise I saw all five species of park kingfisher as well as geese, ducks, herons and egrets, spoonbills, pelicans, kites and sea eagles, many allousted against a spectacular sunrise.

I also travelled in the park with Roman Chaloupka who operates Magela Tours for the bininj traditional owners. They run low impact trips to their traditional lands which are normally closed off to visitors. Roman introduced me to several trees, among them the pandanus palm and the milkwood, both of which, he explained, were important to women for basket making and medicines. We visited a number of rock shel-

ters, climbing up natural steps in the smooth creamy sandstone to find walls adorned with delicate dark red, ochre and white paintings of men hunting animals, men and women together. X-ray images of animals showing their bones and internal organs and pictures of spirits and their victims.

We rested on the warm rocks just as bininj must have in the past, leaning back in the sunshine and looking out over glittering blue water winding through bright green marsh grasses towards the open forests where silver fanged trees rustled in the wind.

The extent of this privilege only became apparent on the following day when I went to Nourlangie Rock, a shelter of significant size profusely decorated and heaving with visitors. Fenced boardwalks keep grubby hands from the rock art. While this is done with sensitivity, there was none of the intimacy and peace of the previous day when, sitting in the sunshine, it felt distinctly possible that the occupants were simply out for the day and

were expected back at any moment. On my last afternoon I called to say goodbye to Russell-Smith. He had spent his morning in a helicopter flying over a large lush fire on the park boundary with Arnhem Land, which had already spread into the deep gullies and was almost certainly among the *Alloceurus*. It had been lit by park staff, clearly without the required sensitivity. In despairing tones he told me it was "not good, not good at all".

Michael Woods flew to Australia with Qantas whose return flight to Darwin costs £1,017 (tel: 01345-747767) as a guest of the Australian Tourist Commission (tel: 01793-707096 for more information on Australia). He travelled to the more remote and restricted areas of Kakadu with Magela Tours, PO Box 99, Jabiru, Northern Territory 0898; tel: 089 792 411. The excellent Bowali Visitor Centre in Kakadu National Park will help plan your stay: tel: 089 381 100 and the cruises on Yellow Waters (Jim-Jim Creek) can be booked on 089 790 111.

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GARDENING / MOTORING

Gardening / Robin Lane Fox

Season of fruitful conflict

As we enter June, our images of nature and the garden stand in fruitful contradiction. My images are still tinged by memories of last week's show at Chelsea. They are haunted by the ideals of tidiness and exact staking with which I grew up. Images of nature are at their most seductive. When you look at a wood of bluebells or a field of buttercups this weekend, you may well wonder why we need tidy gardens and why we do not all opt for the meadow look.

This seductive opposition has always been strong and I think that it is set to become even more prominent. Cost, time and labour tell against intensely tidy gardening unless you happen to be a millionaire in early retirement. It is here that the other side of nature is waiting to burst out as June begins. The sudden rains have promoted a remarkable crop of young weeds where there was bare soil only two weeks ago. If we opt for the natural road, how do we cope with nature's own hordes which wreck a conventional garden?

This question is not answered by artistic photo-

graphs of Cow Parsley in full beauty at this time of year. It looks divine, but it will look a mess in three weeks. The place to enjoy it is on the perimeter or on a walk far afield. I have no sympathy with those who try to promote these images as the way forward in gardening. One aim of good gardening is to extend its season, maintain interest beyond July and please a range of plants which are not merely at their best when anything, even nettles, is looking green and inspiring.

On the other side, I am not alone in admiring, but avoiding, the precisely controlled order and neatness of many great gardens which can rely on a staff of two or three. We can, I suppose, imitate them in small spaces, but my garden of nearly two acres is not small and I appreciate the advantage that I can grow, kill and satisfy a much wider variety of plants than in the small oasis of perfection, 50 yards square.

What we want is a style of manageable order among a wildness which is not too demanding of our time or too dangerous for our plants' well-being. This style must continue for longer than the 10 easy weeks until the end of

June. I continue to experiment, but am not sure that I am winning.

Where do you go to see the possibilities? After a recent visit, I am tempted to say Great Dixter in East Sussex, open daily to afternoon visitors and home of our senior authority and writer on gardening, Christopher Lloyd. Much has

Apparent disorder is based on an extremely vigilant and critical eye

been said and written about this remarkable garden, including its taste in unexpected colours and the owner's gleeful removal of his rose bushes a few years ago. True, the roses were replaced by the ultimate abomination of polite gentry taste, batches of the reviled Canna. I do note, however, that the Canna-for-rose policy had already been sketched in Christopher Lloyd's classic book, *The Well Tempered Garden*, in

1970. All these aspects of Great Dixter are famous, but the one which interests me most is the garden's constant dialogue with the line between ordered tidiness and the natural world, enhanced by its owner's matchless eye and knowledge.

The line is most evident in the garden's areas of unknown meadow where the grass is suitably restrained and allows a competing colony of "wild" flowers. The meadow sections have been built up over time, but I have come to see how the same openness to plants and effects more usually classed as "wild" or "natural" run through much of this famous garden's planting.

There is a similar air of controlled wildness through so much of the planting, even though its natural peak of early June is long past in the surrounding countryside. How does one do it?

One precondition is to widen the scope of our knowledge and sensitivity. Anything from woodruff to moderately rampant spurge is pretty if you look at gardens with an eye which comprehends more among wild flowers than the annual spectacle of buttercups or bluebells. Lloyd knows so

much more than the rest of us, but he exhibits this knowledge in part in his re-definition of the line between the standard "garden" plant and the creatures which botanists classify in nature.

On principle, he also likes parts of the garden to have a gently invaded look. There must be a certain relish in hearing of visitors who think that it is looking messy or going back now that the owner is over 70. I am one of many who can testify that next to nothing is there because the owner has not thought whether he likes it.

The prowl begins from dawn onwards, guided by eyes which miss next to nothing. Apparent disorder is based on an extremely vigilant and critical eye and perhaps we can find the example which will push our own definitions of gardens and wild nature into a closer harmony. My ideal is to have a garden which looks as if it is just going out of control.

This weekend, that ideal is easy to realise for anyone who does not have an army of staff. It is less easy to re-create in late July or October. It is here that even at Dixter, the old dilemma asserts itself. What



David Austin Roses introduced seven new English roses to Chelsea this year including 'A Shropshire Lad'

you see, and should certainly visit, is a large garden, constantly maintained by this country's most knowledgeable private gardener and a team of up to four headed by the tireless Fergus, the all-important head gardener. It takes so many people to maintain a great garden which looks wild in parts without being uncouth. If we are to emulate this example in gardens of half an acre or more, we still need to temper the style so that we are not swamped with butter-

cups or invaded by bindweed. *The Well Tempered Garden* is the most admired title of Dixter's owner, but the truth is that it is a creation against the background of nature which is always remarkable for a bed-tampered ability to hit back.



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Motoring

A curvier image

Stuart Marshall on the rounded lines of Volvo's S40 and V40

Volvo cars and curvaceousness are no longer incompatible. The old school of Volvo stylists, who must surely have cut their professional teeth designing shipping containers, have gone. In their place is a team led by Peter Horbury, an Englishman, who clearly thinks cars should be rounded, not rectangular.

As a result, the new S40 and V40 Volvos are as different from the traditional ones as chalk is from cheese.

The Volvo S40 is a four-door saloon, the V40 (the V stands for versatility) is what you and I would call an estate though Volvo shies away from simplicity, preferring to describe this five-door with lots of luggage space as a touring estate.

Curiously, BMW and Rover have the same hang-up with their 3-Series and 400 life-style load carriers. They call them Touring and Tourer respectively, presumably to kill any ideas that they might be used to lug plastic bags of household rubbish to the corporation tip.

S40 and V40 are made in the Netherlands, rolling off the same production line as Mitsubishi's Carisma in a plant jointly owned by the two car companies and the Dutch government. From this, one might infer that S40 and V40 and Carisma are rebadged clones but nothing could be further from the truth.

True, they share the same platform - the modern equivalent of a chassis - and their critical dimensions are identical so as not to confuse the robots. But only 20 per cent of the bits and pieces are shared. Volvo uses its own engines, transmissions, suspensions and body panels.

Mitsubishi has aimed the Carisma, a highly competent if uncharismatic car, at the Mando/Vectra market. Volvo's ambitions for S40 and V40 are higher, with the Audi A4, BMW 3-Series and Rover 600 in its sights, for the posher examples of its large model range at any rate.

Volvo is offering S40 and V40 on such an extensive pick-and-mix basis that what the customer gets is not quite an individually tailor-made car but at least a stock special.

There are four "platform" models - 1.8-litre and 2-litre engines S40 and V40 - priced from £13,800 (1.8 S40) to £14,800 (2.0 V40). But this is only the beginning. Buyers have six specification packs to choose from, ranging from a handling pack (sports suspension) to luxury (air conditioning and leather seats).

Then there are 40 individual options - everything from a passenger airbag (£200) to integrated child seats (£250) - and 12 paint colours. In theory, 14,000 different derivatives are on offer.

The four-cylinder, 16-valve engines are Volvo's own and are closely related to the five-cylinder engines powering Volvo's first really modern car, the front-wheel driven 850.

Although the 1.8-litre produces 115 horsepower com-

Volvo Car UK expects to sell around 7,000 S40 saloons and V40s this year

pared with the two-litre unit's 140, its maximum torque (pulling power at a given speed) is only marginally less and is produced at lower revolutions. So, in practical terms, the two cars feel much the same to drive at legal speeds.

The 1.8-litre is said to take just over one second longer to reach 100kph (62mph) from a standstill (10.5 seconds against 9.3 seconds) and - as if it mattered - has a lower top speed (121mph/195kph against 130mph/209kph).

Realistically, it is the handling pack that makes most difference. The first new Volvo I drove was the £13,800 SV40 entry model. Frequently I prefer basic models to their sportier variants but in this case, I found the cheapest S40 was bland beyond belief.

On the A9 between Inverness airport and Skibo, it could have been any of the similarly priced European (or Euro-Japanese) competition and I was deeply sceptical of Volvo's claim that the S40/V40 could look a BMW 3-Series or Audi A4 in the eye.

Next day, when I drove west to Ullapool in a £19,000-plus V40 1.8-litre with a handling pack, leather seats and all manner of luxury items, I was persuaded it could have been a BMW or Audi.

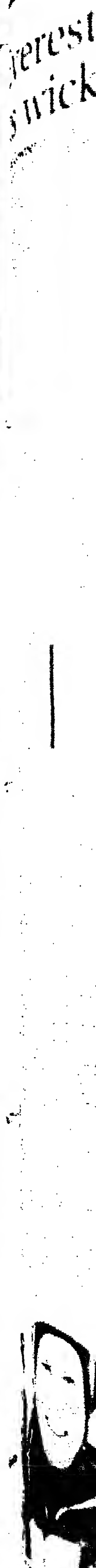
It felt more solid, sat down four-square on the road and cornered with greater precision. The engine and five-speed manual transmission were identical; so, of course, were the standing start acceleration times and pick-up for overtaking. But in character it was an executive car, not a "repmobile", and as pleasing to drive as the basic model had been boring.

Switching to a two-litre V40 for the return leg to Skibo revealed only marginal performance differences. Volvo Car UK expects to sell around 7,000 S40 saloons and V40 touring estates this year, rising to 20,000 next year, when a 1.9-litre turbo-diesel will be added to the range.

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The trouble with motor shows is that everything on display is static when the whole purpose of all those gleaming cars is to provide personal mobility.

So full marks to BBC's Top Gear programme for setting up a new kind of motoring event at Silverstone Circuit, Northamptonshire, from July 18-22. The exhibits will be seen in action and some will be available to drive - under supervision and on payment of a fee. For full details, call BBC Haymarket Exhibitions on 0171-402 2555 (fax 0171-402 0920).



OUTDOORS

Everest shows its wicked side

Richard Cowper has just returned from the Himalayas. His report focuses on a mixture of success and tragedy

In a season marred by tragedy, Alan Hinkes, Britain's most controversial and outspoken Himalayan mountaineer, has finally made it to the top of Everest on his third attempt, bringing to six the number of 8,000-metre peaks under his belt, more than any other Briton.

But his unlikely climbing partner, Brian Blessed, the 18-stone actor, was forced to turn back just 1,468 metres short of the summit.

Blessed is obsessed with his hero, George Leigh Mallory, who disappeared in mysterious circumstances on the north side of Everest in 1924. The actor turned back ostensibly because of high winds, fear of frostbite and exhaustion. But this may have only been part of the reason.

Just four days before the two climbers started their summit attempt on May 15 up the windswept north ridge, news had started to filter back down the mountain of the first of 40 deaths on the mountain, the greatest number of people to have been killed on Everest in a single season since climbing began there in 1921.

In particular, hearing how two Japanese climbers, Hiroshi Hanada and Eisuke Shigekawa, were said to have ignored three dying Indians on their way to the summit on May 11 so horrified the sensitive actor that his normal self-confidence seemed to have deserted him.

"The winds were terrible. The death of the Indians and the bad weather patterns really did help me make my mind up. My fingers and feet were beginning to suffer frostbite. It scared me. Everest was showing a wicked side to its nature," says Blessed, explaining his decision along with Martin Barnicot, his personal guide, to turn back at 7,380 metres.

This was to be his first and only attempt on the peak this spring. "Mental stamina is the most important. My heart no longer seemed to be in the climb. By then I had blown it. I couldn't recharge," said the actor.

Had Blessed gone to the top he would have had to walk past the frozen bodies of two of the Indians, one at around 8,680 metres, 50 metres above the second step, the biggest climbing obstacle on the ridge, and the other 100 metres above Camp III and below the first step.

Physically and mentally tougher, Hinkes and TV director Matt Dickinson - who was making a film based on the premise that Blessed would get to top - descended to the North Col at just over 7,000 metres along with the actor. But the following day both were strong enough to head back up, eventually to reach the summit on May 19 in mixed conditions.

Hinkes used oxygen for the first time and brought up the rear behind three sherpas and Dickinson, all from the British 1996 North Ridge Everest Expedition. He said: "I did not feel I was pushing the boat out like I was on K2. Even if I did use oxygen, it's done. I don't regret it."

"My job was to film from the top. It felt like a day in the Alps except for that one poignant moment, just below the summit, when I came across the Indian without his jacket, lying in the snow."

Perhaps partly driven by the loss of his mother at the age of 12 and a father who never appreciated him, the refreshingly direct Yorkshireman makes no secret of his ambitions. For him Everest is simply the biggest tick on his way to mountaineering stardom.

Later this month in a grueling schedule he plans to climb Gasherbrum I and II in the Pakistan Karakoram mountains in his drive to become the first Briton to climb all 14 of the world's 8,000-metre peaks, a feat achieved so far by just four people.

"We have been totally overwhelmed by other nations in this respect. I hope to bag them off as quickly as possible by the safest routes," said a jubilant Hinkes, after brushing off suggestions that his oxygen-led ascent of Everest's north ridge route may have lacked style and originality.

On Everest this spring, Hinkes was not alone in this respect. Of the 15 expeditions on the Tibetan side, involving as many as 200 climbers, only three were attempting anything remotely aimed at pushing back the boundaries of Himalayan mountaineering.

Most impressive was a Russian team's successful attempt on a beautiful snow and ice gully, newly named the Silver couloir - just to the east of the North Col.

Also trying to break fresh ground was Hans Kammerlander, 39, the Italian partner of Reinhold Messner. He was the only climber on the north side to reach the summit without the use of bottled oxygen this season and he combined this with a hair-raising part-descent of Norton's couloir on sleds, the most prominent feature on the great north face of Everest. A complete ski descent was made impossible by the lack of snow in the couloir and a band of

For Hinkes, Everest is simply the biggest tick on his way to stardom

ice-cliffs about half way down. Earlier a Slovenian attempt to ski the same couloir failed when the expedition's only skier, Davorin Karnicar, suffered severe frostbite in the fingers of one hand.

To date, there has been no accepted ski descent of the world's highest mountain. A Japanese attempt more than a decade ago involved a descent in the no-man's land between Lhotse and Everest and has not been counted as a descent of the mountain proper. Kammerlander's claim may meet the same fate because of its intermittent nature.

Hinkes, meanwhile, remains unmoved by pleas from fellow British mountaineers to "fill" his own undoubted talents by going for new routes on the big mountains. For him, being a highly competent journeyman mountaineer, successfully making a living, is acclaim enough.

Blond-haired with ice-blue eyes, when he is not away on expeditions he acts as a model and adviser to Berghaus, the mountaineering outfitter owned by Pentland, the sportswear and consumer products group. He is also sponsored by Land Rover.

A typically uncompromising Yorkshireman, Hinkes is undoubtedly at the pinnacle of his career as a climbing athlete. His success on Everest this year comes after he achieved his own personal high point last July when he climbed K2, what he calls the "mountaineer's mountain".

But in spite of these public triumphs he has gained a controversial reputation among his peers, notably for his insensitive criticism of Alison Hargreaves, the British mountaineer who died on K2 shortly after Hinkes' own success on that mountain.

If Hinkes is capable of defying popular opinion, so is Brian Blessed. Among public, family and friends alike it was assumed that the star of *Cats* and *Z Cars* would be making his very last attempt on Everest this year, come what may.

Yet just two months short of his 60th birthday, the actor says he plans to go back to the south side of the mountain within three years to try for a fourth shot at the summit.

"It is not that I fear a dream has finally ended. It's simply not time to quit. Sherpa Tensing went to Everest seven times before he finally succeeded," says the unabashed showman.

Richard Cowper was supported on the expedition by North Face, Berghaus, Bollé, Snow + Rock, Lufthansa and Kodak and Himalayan Kingdom Expeditions.



On the north side of Everest: loading up at base camp in Tibet at 5,200 metres. Everest, with its steep north face pyramid, is in the distance. Richard Cowper

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Alan Hinkes: making a living is acclaim enough

BOOKS

In order to research and write this book, the author, a young black Oxford University doctoral candidate, spent a year living as "one of the boys" among two groups of young black Londoners. She states, in her introduction, that her "study" is of "culture".

"I believe that the collective styles of black youth... can only be strengthened by the resistance to any imposed definition of 'blackness' and the recognition of the cultural battle for the ideological space to be 'black' - whatever that may mean."

Well indeed, whatever that may mean. Claire Alexander achieved her doctorate with this study, and will in all probability go on to enjoy the fine career that she deserves. But there is a problem with this book which speaks to the heart of the academy, the publishing world, and ultimately to British people's understanding of the wealth of history and research on their doorstep.

One of the more disturbing

THE ART OF BEING BLACK
by Claire Alexander
Oxford University Press £16.99, 200 pages

recent developments within the American academy has been the growth of "black studies". Historically such departments evolved out of post civil rights optimism and (it has to be admitted) guilt. Initially these departments were underpinned with research and scholarship which keyed into history, literature and sociology in a rational and coherent manner. These days they seem to have become dumping grounds for scholars and students whose main qualification for membership is what they see in the mirror when they brush their teeth in the morning.

As though fearful of appearing to be naïve (or dare we say "unblack"), their work is often peppered with references to "low" work, which authenticates their otherwise tenuous (and often tenuous) position. Alexander punctuates the passage quoted above with these three (relevant?) lines from the British soul band Soul II Soul: "Whatever you claim to be

Yours, That's the nature of this game"
Had she not informed me it was Soul II Soul, I would have guessed at Abba.
The Art of Being Black ushers us through the primary areas of contemporary young black people's lives. We move from the home, to work, to their attitudes to their peer group and to women.

The narrative structure is in three parts. First, there is Alexander's first-person engagement with her "players", (as she terms them). "On a night out with Clive and Nathan, walking across Leicester Square to get to a wine bar... Second, there are the first-person extracts from conversations with her players. "My role our does interface quite a lot with the positions I can



Young, black and British: are they ill-served by "cultural studies" from an academy unsure of its legitimate connection to the real world?

Cultural references

Caryl Phillips goes in search of the real black British experience

get... I think they think of me as another coon, a black person who thinks he's got a bit of brains..." As long as the book stays true to these two narrative points of view, it remains on relatively stable ground.

However, the third and largest portion of the book is written in the flatulent, unnecessarily obfuscating, and redundant argot of an academy which is unsure of its own legitimate connection to the real world and seeks to "control" that world by appropriation of its vocabulary or by throwing up a smokescreen of mumbo-jumbo which does disservice to both the players and the English language.

Surely there has to be another way of talking about a subject than this: "What it meant to those wearing it remained lamely unconsidered, merely assumed. It was also assumed that because the external trappings had only been reached, public attention, the impetus behind them had itself been recently created."

The "art" of being black (in

itself not a bad, if somewhat misleading, title) was first explored by the American intellectual W.E.B. Du Bois in 1903. He described the "Negro condition" as being characterised by a kind of "double-consciousness", a state of being in which, as a black person, one was often forced to look "at one's self through the eyes of others".

The gap between one's sense of self, and this knowledge of how others viewed one, was the space in which most black people lived. Black people's ability to be both aware of the stereotype, and to manipulate their lives in this often narrow zone, has constituted the 20th century condition of those of the African diaspora.

Bearing Du Bois in mind (and Alexander quotes from him), the book's conclusion is disappointing. She is able to sum up, in less than two pages, what has happened to her players. It is a shame that she should be so brief, because we do learn about the black English condition through her

field work. It is only when she returns to Oxford to process her work that she loses us.

The stories of young black people trying to get to university with neither money nor parental support, or of the difficulty of living with parents who are still culturally attuned to a world they left behind 40 years ago, are narratives which ought to form the heart of the work.

But the book is that strange, yet familiar, creature: the doctoral thesis buffed up for publication, and to this end the publishers have to take some responsibility. The "triple" narrative is not properly stitched together, for the book lurches, clumsily from one point of view to another, and it is overly foot-noted and at times incorrectly so.

The author makes much reference to a pioneering work in this field, *Endless Pressure* by Ken Pryce, which does, thankfully, place primary emphasis on the author's field work among the black community of Bristol. Pryce states in his

introduction that the research took place between 1965 and 1974. Alexander's book, however, continually states that the book was published in 1967. *Endless Pressure* was, in fact, first published in 1973.

Oxford University Press has rushed into print with a British "companion piece" to the "culturally black" US academic work that it published by Henry Louis Gates and Michael Eric Dyson. But a greater service to this author would have been the provision of better editorial help and back-up in making the often difficult transition from thesis to book.

To allow Alexander to conclude with the following statement is an abdication of editorial responsibility, for such banality does a service to nobody, least of all the black British community which has been a presence in this country for 500 years.

"Being black" is at once a demand for inclusion within the bounds of "British" identity and a celebration of "hybridity" - "I am not, really, a stranger

any longer" (Baldwin 1985).

It makes no sense for Alexander to litter her text with quotes from Cornel West, Henry Louis Gates or even James Baldwin, while failing to mention Olaudah Equiano, Ignatius Sancho, Robert Wedderburn, Mary Prince or any of the black British writers and citizens who have struggled to be included "within the bounds of 'British' identity". These people are the direct antecedents of her players.

In this same manner, as eloquent as the pioneering work of James Edwards; and the work of James Walvin, to name just two British academics, has provided a more stable and critically important platform for scholars such as Alexander.

The often self-aggrandising rhetoric which has been emanating from the cloistered world of American black studies departments bears only a tangential relationship to the British condition. We must exercise vigilance.

Pitt the magnificent

William Pitt the Younger was born in the Annus Mirabilis, 1759, the year in which his father, soon to be created Earl of Chatham, presided over a great succession of British victories - from the frozen shores of Canada to the tropical heat of India, by land and by sea - which extended the British Empire and secured its foundations.

A mere 24 years later the precociously brilliant younger Pitt was himself prime minister - a mere boy in age but so eloquent, commanding and self-possessed, that after his maiden speech in the House of Commons the great Charles James Fox described him as "already the first man in Parliament".

Pitt was prime minister from 1763 to 1801, and again from 1804 to his death in 1806. If the French Revolution had not happened he would be remembered as a great statesman. In the peaceful first six years of his ministry he showed himself to be liberal-minded and astute; he was a promoter of parliamentary reform, an enemy of the slave trade, and a good manager of the economy. He was austere in his political morals, refusing the easy self-enrichment offered by service under the Crown. But unlike his father he had few gifts as a war leader, and when the long and costly conflict with France began he made bad mistakes, both in the prosecution of the war and in repressive and illiberal domestic policies designed to safeguard against revolution.

Almost the only positive achievements of Pitt's wartime work were the introduction of income tax - a laborious way of raising revenue than the indirect taxes which chiefly disadvantaged lower income groups - and his attempt to remove the legal disabilities of Roman Catholics when union was effected between England and Ireland.

Had it not been for the intransigence of George III, the subsequent history of Ireland might have been very different. Pitt resigned over the question, but returned to office when the inadequacies of his successor, Addington, became manifest. By then Pitt was ill, and the continued failure of the Allied war effort against Napoleon proved too much for his strength.

The last nine years of Pitt's life are minutely and absorbingly dissected in this third volume of John Ehrman's monumental biography. If ever there was scholarship at once majestic, profound and grippingly readable, this is it. The first of Ehrman's massive tomes appeared 27 years ago, the second 13 years ago. The book is accordingly a life work, and Ehrman's knowledge of the years of Pitt's ministries is extraordinary.

But what transforms his account is the sagacity of his judgments and the luminous ease of his prose. In Pitt's time party loyalties were fluid, and much depended on eloquence in the House. To the hour came the men; it was an age of magnificent parliamentarians capable of swaying the course of empire by a single speech. Pitt and Fox were outstanding orators, and debates in the packed and electric House were gladiatorial. Place all this in the even headier setting of revolution and war, and the tension in each line of Ehrman's book keeps one turning its pages as if it were a thriller.

The story ranges from financial crises to mutinies in the navy, from the politics of union with Ireland to largely unsuccessful attempts at prosecution of the French war. In Ehrman's masterly narrative we are taken into the cabinet and the royal levee, and constantly in the background can be heard the sometimes ominously loud growl of that fickle beast, public opinion. Not even in Pitt's brief retirement are

THE YOUNGER PITT: THE CONSUMING STRUGGLE
by John Ehrman
Constable £35, 882 pages

the tensions of Westminster lost to sight, because Pitt did not sequester himself; it seems he knew that he would soon have to resume office.

Pitt's life was his work, and there is little of a private nature to be told. Ehrman's account is accordingly a political biography or perhaps it is history rather than biography. Whatever the label, it is magnificent. At the end Ehrman speculates a little: the solitude, privacy and austerity of Pitt's life betokens some deep individuality, and Ehrman mentions the possibility that he was homosexual.

But he takes his cue from Macaulay, who in his famous essay on Pitt says that whatever was the case in this regard, Pitt kept it in "decorous obscurity". Everyone knows that Pitt had been advised by his doctors, when the precocious youth went up at Cambridge aged 14, to drink two bottles of port a day; which, ever thereafter, he assiduously did. But here Macaulay remarks that two bottles of port for Pitt were as two dishes of tea for anyone else.

A close reading of history, such as Ehrman gives us, teaches how little the essentials change. It is dispiriting to find the same obtuseness and stupidity present in the politics of the 1990s as in the 1790s. But without a study of history, what possible hope would there be of lessons being learned?

A.C. Grayling

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The chief thing I remember about my 40th birthday was giving up a brief attachment to vegetarianism. It was a low-key event, celebrated with a plate of calves' liver in an Italian restaurant, and I somehow failed to realise that I was powering into my Flourishing Forties, or that the Little Death of First Adulthood was looming up ahead.

This is not as alarming as it sounds. "The New Map of Adult Life", printed in colour on the endpapers of Gail Sheehy's *New Passages*, resembles nothing so much as a guide to a theme park.

This is life as a Disneyland adventure, with the low points (menopause and a Meaning Crisis for both sexes) compensated for by an Optimism Surge, Passage to the Age of Mastery and the promise of Mature Love.

Life ends, according to this optimistic schema, not with death but a leap off the edge of the page into the Uninhibited Eighties. Sheehy's text follows, page on page, of statistics, interviews and unintentionally hilarious prose - "He described the many different opportunities for closeness on a golf course" - which illustrate her thesis that there has been a revolution in the adult life cycle.

What this amounts to is that many people now look and feel five to 10 years younger than their biological age. This is so obviously true, especially for women in middle-age who remember how conservatively their own mothers dressed and

All change at forty

Joan Smith on a fresh but flawed approach to an age-old story

behaved at 50, that it is not at first sight promising material for a book.

This is to underestimate Sheehy, for whom the phenomenon represents not just a breaking-down of the old order but an opportunity to create a new one.

"Imagine the day you turn 40 as the infancy of another life," she enthuses, introducing her concept of a "Second Adulthood in middle life". There is an echo here of *The Fountain of Age* by Betty Friedan, which vigorously advocated taking up new interests, lovers and challenges in the second half of life instead of accepting inevitable decline.

But Sheehy is the author of the original *Passages*, a text credited with popularising the notion that adult life is not fixed or static but subject to as many crises as childhood and adolescence.

And the increasing longevity of people on both sides of the Atlantic has prompted her to update that idea and provide, in *New Passages*, a self-help manual for people who find themselves feeling more youthful than their birth certificates attest.

This is not to argue that the book is a cynical exercise. Sheehy is an indefatigable researcher and her accounts of attending conferences and setting up surveys, interviews, dinner parties - even a breakfast meeting in Detroit at which blue-collar men speak about their anxieties - are

exhausting to read. She has talked to middle-aged women who are having a good time and middle-aged men who are not; Sheehy's 40-something females stride through smart hotels in sexy ankle-boots, leaving her male interviewees to fret about redundancy, impotence and prostate cancer.

The book's faults, though, are as large as its ambitions.

NEW PASSAGES: MAPPING YOUR LIFE ACROSS TIME
by Gail Sheehy
HarperCollins £16.99, 301 pages

Sheehy's prose is journalistic in the worst sense, which is to say uncritical, repetitious and dazzled by celebrity.

"Divorced in middle life, he met a woman who lectures on miracles" is a typically baffling introduction to one of her interviewees (a "New-Age electrician", a job description I have not previously encountered).

Older childless women undergoing fertility treatment are kicked off for "late baby-making" but Clint Eastwood is patted on the back for becoming a father again at the age of 63.

Most problematic of all is the assumption that everyone can be made to fit neat categories.

Women who fall in love in their 60s are having "Survivor Sex", men who become fathers

in their 50s are "Start-Over Dads", older female role models are "Wisewomen". This produces a sense, throughout the book that Sheehy, in common with many Americans, is alarmed by complexity and messy lives.

She also comes close, in spite of her acknowledgement that poverty and depression are linked to class, to suggesting that people have complete control over their lives.

"Successful ageing is literally a career choice", is one of the homilies which appear, framed like improving Victorian samplers, throughout the text. "It requires a new focus, energy, discipline, and a whole set of strategies" - a list which could easily be expanded to include money, education and good genes.

What this book confirms, if you ignore its cloying confessional tone and relentless passion for taxonomy, is the extent to which assumptions about human beings which would have held good a generation ago are already out of date.

One of the most striking changes is the removal of the self-by date on female sexuality, at least in women's own minds; another is the collapse of the notion of a linear progression through life, from marriage to parenthood to couples growing old gracefully together, and its replacement by serial relationships.

Whether people need Sheehy's book to guide them through these new patterns is another question.

They would certainly be well advised not to place too much reliance on her conclusion that "if every day is an awakening, you will never grow old, you will just keep growing".

I'm sorry to be a party-pooper but, while Sheehy omits it from her *New Map of Adult Life*, one day we just stop growing and die.

Ode to an Edwardian

Jackie Wullschlager on the extraordinary life of Violet Bonham-Carter

When an article in *The Spectator* gave common currency to the term "the Establishment" 40 years ago, it was defined in a sentence which mentioned only one person by name.

"Anyone who has at any point been close to the exercise of power," wrote the journalist Henry Fairlie, "will know what I mean when I say that the Establishment can be seen at work in the activities of, not only the prime minister, the Archbishop of Canterbury and the Earl Marshal, but of such lesser mortals as the chairman of the Arts Council, the director-general of the BBC, and even the editor of the *Times*, not to mention divinites like Lady Violet Bonham-Carter."

Violet Bonham-Carter is best known to history as a daughter. She was Asquith's fourth child, the only girl from his first marriage, and everything that made her 1885's epitome of the Establishment stemmed from her upper-class liberal background and her exceptional role as her father's confidante. At 20, on holiday in Italy, she sent her father a telegram: "How dare you become prime minister when I'm away great love constant thought Violet", and he replied, "The only thing that makes me sad is that you should have been away. You & I have been through so many adventures together."

The political instinct and the high moral tone, the ferocious dignity and the sense of noblesse oblige, even the whip-lash tongue - she once described Sir Stafford Cripps as being "like a poker without its occasional warmth" - all can be traced to her teens and 20s

LANTERN SLIDES: THE DIARIES AND LETTERS OF VIOLET BONHAM-CARTER 1904-14
edited by Mark Bonham-Carter and Mark Pottle
Weidenfeld & Nicolson £20, 461 pages



Violet Bonham-Carter best known as a daughter
Helen Gally

when home was Downing Street.

The letters and diaries from these years tell the enjoyable story of a character in the making, Asquithian prejudice and the famous, patronising shrewdness are there from the start. "Quite an amusing meal", aged 22, of lunch at 11 Downing Street: "I sat next to Lloyd George who has charm no doubt but no sense of humour & I think an inferior sense of words to Winston. Mrs LIG very homely and pathetic... It is hard on Father to be bound to a man with so little instinct of taste or dignity."

Innocence - scores of letters to her best friend, "darling" Venetia Stanley, who was conducting a clandestine epistolary romance with Asquith - mixes with arrogance. On the engagement of Clementine ("the Hoxier") to Churchill: "His wife could never be more to him than an ornamental sideboard. Whether he will ultimately mind her being as stupid as an owl I don't know. She will have rest at least from making her own clothes."

It is the young girl's passion for personality, for outrage, jealousy and loyalty, that bring the politics alive. Tony Benn once wrote that Violet

opened Archie's memory in *History*. "How are they touch on my sacred joy and call it good works. Dearest, though I have lost so much I yet do feel that there is more of me there than there was last year". In 1912, "the most thrilling experience of my life - I went up on a gigantic biplane... I only live to do it again. Father who would never never have let me go up - is now rather proud of my having done it."

There flows here, writes Roy Jenkins in his introduction, "the full self-confidence of patrician Edwardian liberalism, accompanied by a certain emotional lushness which recalls a somewhat earlier age, a requiem by Saint-Saëns".

Much has been written about Edwardian England, but throw-away remarks here evoke the mores of that era with a rare immediacy. When Raymond Asquith's first child is born, for example, the prime minister is asked "Is it a boy?" and replies "With fearful solemnity". "No, not a boy", and "Raymond accepts his daughter as if she were a Varsity scholarship. I do not mean that he is not pleased, as he obviously is, but he would not dream of mentioning it to anyone as a possible piece of news of interest."

"How strange it would be and how frightening", Violet muses in 1910, "if one could see isolated scenes of one's life in advance, like lantern-slides, without knowing where they were or when, what led up to them or what followed". Open this wonderful book on any page, and you get a lantern-slide glimpse into a fascinating mind being formed by a privileged milieu in its heyday.

BOOKS

Revolution - via the ballot box

Socialism's main achievement has been to civilise capitalism, writes Malcolm Rutherford

One of the slogans that appeared in Paris during the famous events of May 1968 was "Be a realist, demand the impossible". And one of the reasons why the events continue to be known simply as "the events" is that nobody can think of a better word to describe them.

Donald Sassoon concludes his long book on the subject with the thought that, in western Europe, "the main achievement of socialism in the last hundred years has been the civilising of capitalism".

One suspects that the world, or at least the Europe, Sassoon would like is one where all roads lead to socialism. Nevertheless, he gives a compelling account of the obstacles along the way.

Soviet defects went largely unnoticed because the USSR was unaffected by the crash of 1929. Soviet planning seemed the order of the day and the Soviet Union emerged as a hero from the second world war.

deprived them of domestic support. The maintenance of strong communist parties in western Europe, notably France and Italy, meant that the left was divided.

between revolution and the ballot box, there was also the question of what socialism means. No fully satisfactory definition exists.

There is no reason why a militant feminist should not be a Tory voter. And what shocked the establishment about the events in Paris in 1968 was the apparent disregard among the students for political parties of any kind.

The harlots of fleet street

J.D.F. Jones warms to the tabloid press

Lord Beaverbrook in 1922 suggested that "A newspaper is like a young and beautiful girl". Stanley Baldwin changed the metaphor nine years later in the best-remembered quotation of his career - "Power without responsibility, the prerogative of the harlot throughout the ages."

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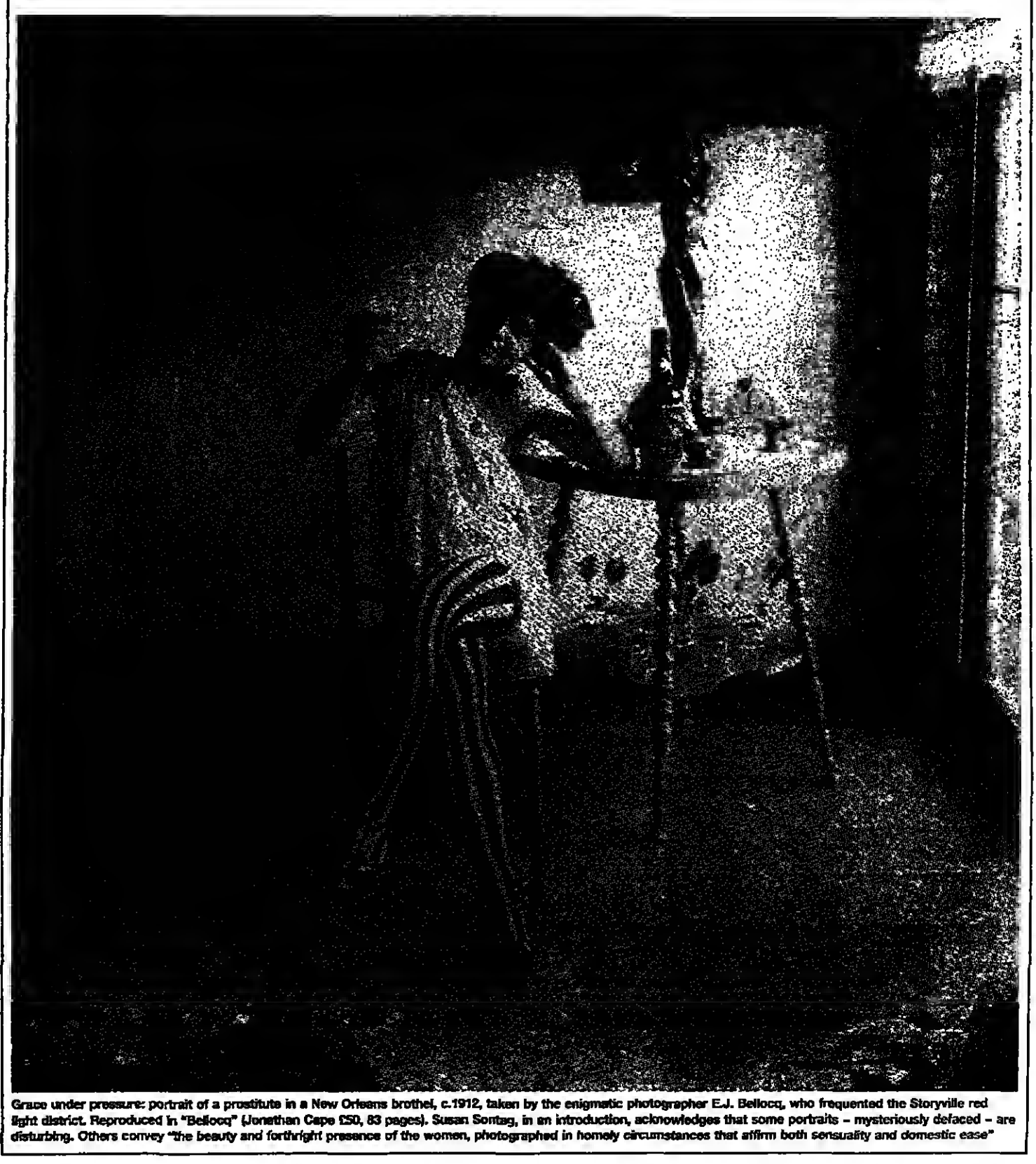
Answers to "Correspondents' 'Comic Cuts' and then to the Evening News and the Mail, he invented the word "tabloid", he was the youngest created peer of the realm, he became a megalomaniac, then literally mad, and died young in 1922, not of syphilis, as is frequently said, but, argues Taylor, of malignant endocarditis.

ONE HUNDRED YEARS OF SOCIALISM: THE WEST EUROPEAN LEFT IN THE TWENTIETH CENTURY by Donald Sassoon. I.B. Tauris £35, 965 pages.

THE GREAT OUTSIDERS by S.J. Taylor. Weidenfeld & Nicolson £20, 377 pages.

TICKLE THE PUBLIC by Matthew Engel. Collins £20, 352 pages.

THREE MOONS IN VIETNAM by Maria Coffey. Little, Brown £18.99, 291 pages.



Grace under pressure: portrait of a prostitute in a New Orleans brothel, c.1912, taken by the enigmatic photographer E.J. Bellocq, who frequented the Storyville red light district. Reproduced in 'Bellocq' (Jonathan Cape £20, 63 pages).

Rereadings/Max Wilkinson Spook messages

During his last illness, my grandfather gave me a battered red book, which he obviously thought was a minor classic. After re-reading it over many years, I think so too and am surprised that modern publishers do not agree.

The book was an immediate success when it was published by The Bodley Head in 1919. It went through five editions the next year and 15 during the following decade. It was reprinted in the Bodley Head Weekend Library in 1989, but thereafter faded from view.

meaned death, but Jones, who was trained as a psychologist, had a brilliant and versatile mind, while Hill, unknown to most of the camp, was a first-rate conjurer.

Introspective travel

Nicholas Woodsworth uncovers a new trend

Book fads come and go. I have been waiting some years now for travel literature, set rolling in the early 1970s by the likes of Paul Theroux, Eric Newby, Colin Thubron and Jan Morris, to come crashing down. But no.

He also draws a portrait of a man struggling to come to terms with the life-long aftermath of a teenage car accident. Apart from detailed descriptions of his physical condition and the mysteries of what he calls "crisp sex", there are discursive passages, entire chapters devoted to the psychological difficulties and transformations of a man determined not to be defeated.

DECLARATIONS OF INDEPENDENCE by John Hockenberry. Viking £16, 371 pages.

MONICA FURLONG then I did about Aborigines. "Where is the internal tension, the groping towards identity?" I wondered as I read Three Moons in Vietnam - A Harpist's Journey by Boat and Bicycle. Of the four books, Maria Coffey's account of a two-month trip along the Vietnamese coast is the one least concerned with the mapping out of a personal interior.

Then in a final test, the mediums were blindfolded and given a new board in which

the letters were scrambled according to a code kept in another room. As expected, the spirit messages became completely garbled, but when translated according to the code, they made perfect sense.

John Hockenberry's Declarations of Independence - War Zones and Wheelchairs, may not be typical of the shift, for its author is a paraplegic American radio journalist who covers hot spots from Israel to Iran from a wheelchair.

with books and ideas, she says, and not enough simply "sitting still", as the Aborigines do, without guilt or anxiety. Much of her attitude is informed, nonetheless, not by sitting and observing, but by historical European acts and attitudes towards Aborigines and her sense of guilt over them.

Furlong's concentration on Aboriginal spiritual superiority results in weak physical descriptions of an imposing people and a magnificent land. It also leads to preposterous statements denying enormous cultural differences.

MY OLD MAN AND THE SEA by David and Daniel Hays. Headline £14.99, 230 pages.

For this is also a story of great adventure and daring. Their thoughts, however personal, are always tempered by immediate considerations - tides, waves, storms, winds and rain. Like the best travel writers of any generation, they take as their point of departure the true subject of travel, the real world around them.

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COLLECTING

Dealers lobbied to bring more affordable items

Susan Moore surveys offerings at London's art fairs

June is traditionally the month when the British art trade flings wide its doors to dazzle the world. There are the fine art and antiques fairs at Grosvenor House, the vast Aladdin's cave of more affordable works at Olympia and the specialist ceramics fair at the Park Lane Hotel. The dealers mount big shows, the auction-houses launch their summer season of sales.

For collectors in any number of fields, from furniture and paintings to Oriental works of art, there may be more than 1,000, perhaps even 2,000, items to view in a few days. It is this intensity of looking, of winning and dining the international community of collectors and curators that converge on London, the whiff of a sale, that gives Mayfair and St James's a particular buzz.

Over the years, the dealers at the fairs and galleries have, like their clients, become increasingly international. But

Grosvenor House, as with the Paris Biennale, has resisted the urge to allow in a flood of foreign dealers and remains a predominantly national event. As last year, a dozen of the 87 exhibitors at the fair (June 13-22) come from abroad, with old master dealer David Koester of Zurich and Jacques and Patrick Ferrin of Paris among the newcomers.

At Olympia (June 6-16), with 400 dealers, the number of overseas participants continues to grow. This year, a pavilion of French dealers is added to exhibitors from the US, the Low Countries, Switzerland, Hong Kong and Australia. A quarter of the exhibitors and half of the lecturers at the Ceramics Fair and Seminar (June 14-17) come from overseas.

In spite of the dwindling number of homegrown collectors - some would say an all but extinct species - London remains the pre-eminent European marketplace.

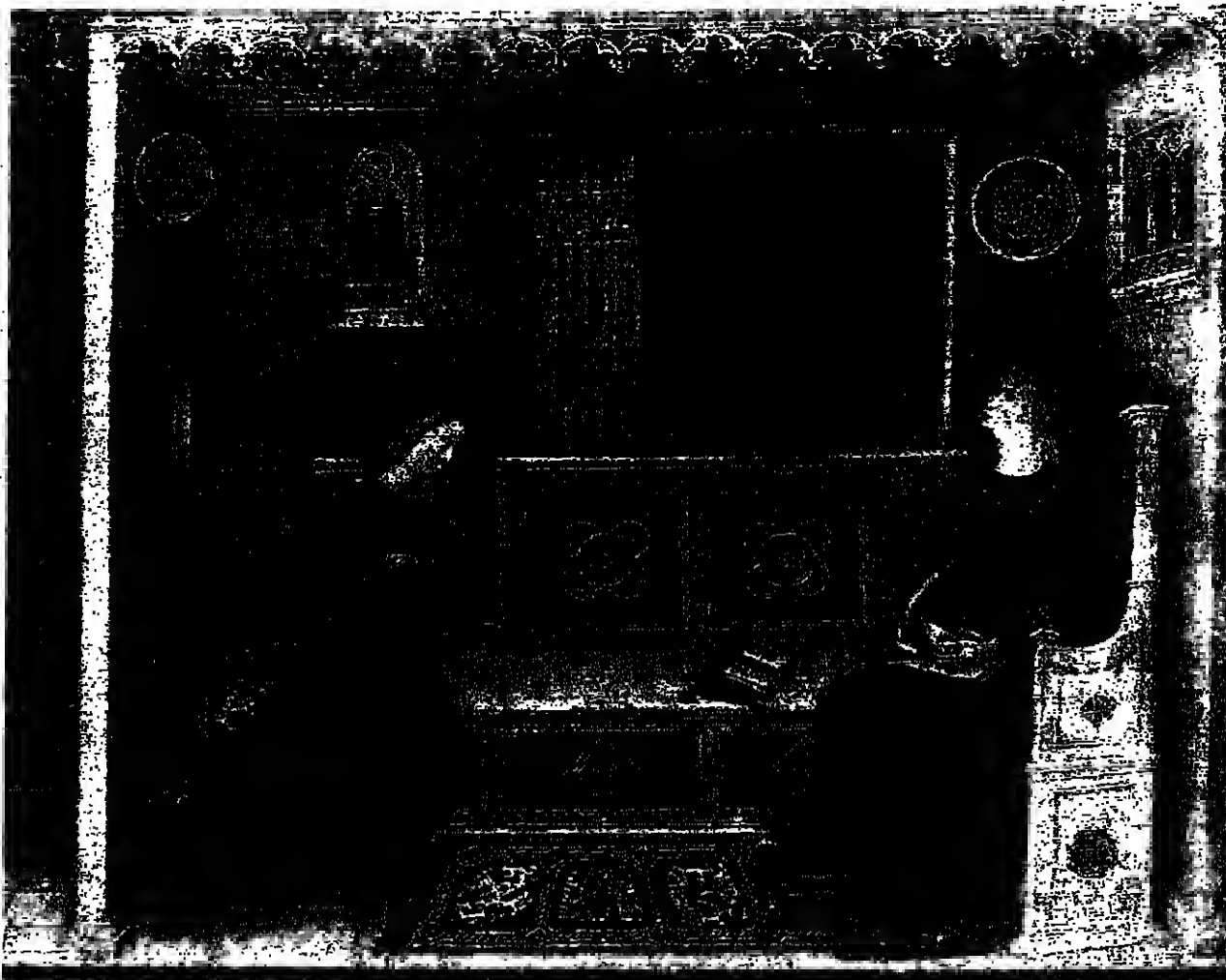
Certainly, Grosvenor House is less showy than marketplace shows days. Given the recent tough times weathered by the art trade, I suspect we are unlikely to see the return of the likes of a \$25m (£16.40m) Turner for many a year. Moreover, the fair organisers are once again lobbying hard for dealers to bring more affordable items - classified as under £10,000. That said, London dealer Johnny Van Haften spiritedly offers Pieter Breughel the Younger's large "The Battle between Carnival and Lent" for around £1.5m.

Grosvenor House is also seeing a gradual increase in the number of exhibiting picture dealers. After the Burlington House Fair, London's great picture fair, merged with the Grosvenor House Antiques Fair in the mid-80s, it seemed the new Grosvenor House would establish itself predominantly as a "brown" or "floor" fair, awash with polite English Georgian furniture with little of interest on its walls. This year, the fair welcomes the return of Colnaghi and numerous paintings of note.

Even the furniture seems less uniformly brown, with George III satinwood richly ornamented with painted blooms and fruit (Norman Adams), Queen Anne red lacquer (Michael Foster) and simulated bamboo jardinières made for Brighton Pavilion complete with pink bells (Peter Lipitch).

Yves Mikaeloff brings a malachite inlaid Russian writing table, Antoine Cheneviere Savilian birch and Mallett a delightful Venetian rococo polychrome lacquer crib.

Apart from the standard fare, Grosvenor House manages to embrace garden sculpture, carpets and textiles,



'The Annunciation' by one of the great figures of 15th century Italian painting, Gentile da Fabriano, in the Matthiessen Gallery exhibition

clocks, scientific instruments, illuminated books and manuscripts and even loan displays of works of art from the royal family and the National Gallery of Scotland.

No visitor should miss a seeing one of Scotland's best-loved paintings, Raeburn's engaging portrait of The Rev Robert Walker skating on Duddingston Loch - and reflecting that the hotel's galleried Great Room was once London's most famous ice rink.

After a year or two of conspicuous inactivity in the commercial galleries, it is a treat to see the return of impressive dealers shows. Most spectacular - and winning the prize for the most sumptuous catalogue - is the Matthiessen Gallery's exhibition, "Gold Backs", gold-ground paintings 1250-1450, or pre-Cinabue to Antonello da Messina, held in memory of the

late Sir John Pope-Hennessy (7/8 Mason's Yard, Duke Street, St James's, June 5-26).

When, back in 1983, Patrick Matthiessen staged a show of early Italian painting and works of art 1200-1450, every one said this was the last time a private gallery could hope to mount such a costly show of rarities. This latest coup de théâtre - the first to cover the subject since 1983 - is all the more remarkable for not being a predominantly loan show as before. All but four of the 21 exhibits - single panels, pairs and triptychs - are for sale, at prices between \$10,000 and \$7m. The quality and condition of many are breathtaking.

It is exceptional to find a 15th century picture on the market today, and particularly one that is not merely a shadow of its former self. Opening this show is a devo-

tional image of the Madonna and Child, executed in tempera and gold. Scholarly opinion gives it to around 1260 and to the hand of a Tuscan artist working in the Byzantine tradition. While the gilding was renewed in the 18th century, the original painted surface was preserved by successive updating and overpainting.

The group is particularly strong on earlier work, including Giovanni del Biondo's "Funeral of St Benedict" and the Annunciation by one of the great figures of 15th century Italian painting, Gentile da Fabriano - a gloriously detailed interior pierced by gold-speckled rays of the Holy Spirit directed to the Virgin's womb. Perhaps even more exquisite is the early triptych by the Siennese Giovanni di Paolo. The substantially subsidised catalogue, sold in aid of

July 26). The focus is on 18th and 19th century Italian and French bronzes, ranging from a unique she-wolf by Severo da Ravenna, one of the leading sculptor-founders of the late 18th century, to distinguished works by Frisour. Prices are from £10,000 to £500,000.

Jean-Luc Baroni at Colnaghi offers another handsome catalogue and show of Master Drawings (14 Old Bond Street, W1, June 26-July 5) with works on paper in various media - pen and white highlighting on prepared paper, red, and coloured chalks, oil, tempera, pencil (a sensitive Degas study of his younger brother), pastel, watercolour and gouache.

Noortman, who also shows at Grosvenor House, devotes his gallery (40-41 Old Bond Street) to French painting from Corot to Utrillo (until June 26). For enthusiasts of 19th century British art, the Mass Gallery presents "Victorian Pictures" - an extraordinary Roskin thunderscloud; Pre-Raphaelites and Olympians. Prices for drawings start at £650 - 15a Clifford Street, W1, June 6-July 12. The Rafael Valls Gallery (6 Ryder Street, St James's) shows contemporary protagonists of the traditional art of trompe l'oeil painting (June 10-22).

Spink displays the beauty of real silk at 5 King Street (until June 28); from early 18th century English and French embroidered coverlets to panels of Italian brocade. The firm's annual exhibition of English watercolours and drawings runs until June 21; the 27th marks the launch of its new jewellery department with arrays of fancy coloured diamonds, art-deco and contemporary jewels, and loose stones. Take a good friend. Prices soar to more than £1m.

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Gustave Caillebotte Paris 1848 - 1894 Genesveilles
This picture is in the collection of the artist's family.

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ARTS / COLLECTING



Strong and challenging: 'The Bathers' by Degas, part of Degas: Beyond Impressionism at the National Gallery

Innovative Degas comes alive

William Packer relishes the energy and experience of a marvellous new exhibition

We worry sometimes that great exhibitions pass through Europe and the US but do not come to Britain. But if the latest treat at the National Gallery is a fair indication, we need not beat our breasts, too much. This choice show from the later drawings, paintings and sculpture of Degas is as beautiful and remarkable as any I could wish to see.

Although Degas is forever cast as just another Impressionist, we find him in his later years, no less than Cézanne, to be as radical and bold a formal innovator as any of his near-contemporaries, from Manet to Matisse.

In the mid-1880s and turning 50, Degas was moving ever further from the cooler academic description in which he was schooled towards a graphic method that was more open, direct and personally expressive. That is not to say that his drawing - and in so many of these large pastels and canvases, the distinction between drawing

and painting becomes ever more difficult to register - is any the less accurate or disciplined, but only that he was now directing it to different ends.

For what seems more and more to concern Degas is not so much appearances, but the living, physical presence of his models: an appearance to be experienced, not merely seen. They wash and dry themselves, comb their hair, try on a hat. The dancers wait in the wings, flexing themselves in that state of tense relaxation, like the horses and jockeys he would watch down at the start. With Degas it is always the moment of expectation, preparation or casual self-regard that engages him.

While the cocking of an elbow, the turn of a wrist or ankle, the pull of the comb through the hair, are perfectly suggested, the actual statement is swift and economical, the formal mass often blurred and approximate, the contours of back or leg rubbed out, overlaid and redrawn. Here is no longer the concern of the Salon artist for the fin-

ish of the work, but a private, immediate concern for the line itself, as he tries to register and fix the ever-moving, breathing form, the head and pull of arms and shoulders, as the model leans and twists above her bath.

His habit was, to draw on semi-opaque tracing-paper, and with so many of these subject groups now brought together it is endlessly fascinating to follow him through his compositional experiments and changes of mind, wrestling with a particular image or idea through a series of closely related poses of the figure. These he would then redraw repeatedly, retracting and perhaps reversing them for use in other combinations without further reference to the model, putting particular figures together, moving them around only to take them out again.

This graphic activity is complemented throughout the entire period by his work as a sculptor, modelling his figures in wax on a small scale to serve his immediate working interest, only much later to be cast in bronze. Drawing and

maquette often take the same pose - the arabesque, the dancer stepping forward with her arms raised, the heavier, seated model half turning to dry her flank. The dating is in consequence extremely uncertain, often no more precise than a 10 year span, which leaves open the questions of whether clearly related drawings and sculpture were done together or after a long interval - and which might have been used as reference for which.

My own feeling is that the pastels and paintings were usually worked up later, and the maquettes, like the charcoal drawings, were modelled direct from life. By their very liveliness of inflexion in the pose and subtlety of detail they could hardly have been made up, and they confirmed the common art-historical supposition that, with his failing sight, Degas came more and more to work by touch alone. Their modelling, simple as it so often is, is too sure and knowing in its control, too close to an observed reality, for that.

But his sight did at last deteriorate,

and his health fall, in the last 10 years or so before his death in 1917. So, by degrees, he ceased to work. What we are shown so clearly is that up to the point of that last decline, here was one of the greatest of artists, rather like the ageing Rembrandt and old Titian, producing work that was as strong and challenging as anything he had ever done.

One final note. The concurrent pendant exhibition at the National Gallery, "Degas as a Collector", sponsored by GlaxoWellcome, of work by other artists that he once owned, is to be recommended. And in my review of the gallery's display of Francis Bacon's Popes, along with the great Velazquez portrait of Innocent X from the Doria Pamphili Collection at Rome, I failed to mention that it was sponsored by Global Asset Management.

Degas - Beyond Impressionism: The National Gallery, Trafalgar Square WC2, until August 26; sponsored by Evans. SBC Warburg and The Times.

Television / Christopher Dunkley

Viewing evolution

Something odd is happening in British viewing habits, judging by the television ratings. Not so long ago the director-general of the BBC, John Birt, was warning that, thanks to the rapid increase in the number of services, the BBC's audience share was inevitably going to fall.

Presumably he was trying to prepare everyone, particularly politicians, for a time when viewers would have to pay their licence fees for a BBC service which attracted as little as a third or less of the audience.

It seemed a peculiarly cack-handed bit of public relations since, naturally, it depressed the staff of the BBC and clearly ran the risk of becoming self-fulfilling. Why strive for anything more than a 33 per cent share after a prediction like that from the DG himself?

And yet a study of the weekly figures published by Barb (the Broadcasters' Audience Research Board, formed jointly by the BBC and ITV) shows that, far from falling, the BBC's share has recently been rising. For years the only times when the BBC has regularly taken a larger audience share than ITV have been at Christmas and during Wimbledon and the World Snooker Championships.

During the other 47 or 48 weeks, terrestrial commercial television - ITV and Channel 4 - has consistently beaten BBC1 and BBC2, sometimes by a considerable margin.

In the first week of October 1994, for example, the commercial share was 53.1 per cent and the BBC's 39.8 per cent. As recently as June 1995 the split was 51.5 to 39.9 in ITV's favour. But the five most recent sets of figures (up to the week ending May 12) show the BBC matching or beating commercial television every week. The latest split is 47 to 43.5 in the BBC's favour.

Baroness and Airport which comes in at No 20 with 9.57m, a remarkably high entry for a documentary, although deserved since it is a highly entertaining series.

It looks as though the BBC's success stems more from what is not happening elsewhere than from any dramatic advances in its own networks.

The degradation predicted by Birt was supposed to come in the first instance from the new satellite and cable services. Sure enough, they have taken a share of the viewing from the traditional transmitter-based broadcasters - but not a dramatic one.

In 1991, it was about 4 per cent and since then the figure has risen by about 1 per cent each year so that it now stands at around 10 per cent. In the week under review it was 9.6 per cent, and that, of course, is the figure for all the scores of satellite and cable channels added together.

So the 50 or so channels which so

far constitute the new technology are managing to attract between them rather less than a third as much viewing as BBC1 on its own or ITV on its own.

These two leading terrestrial channels each claimed 33.6 per cent of viewing in that week. But is the average weekly viewing per head of the population falling, as gleeful press reports frequently claim? If that were so then, even if the BBC's share were higher than before, we should still be paying more per programme.

However, the figures suggest an almost unwavering consistency over the past 10 years. During the second week in May this year the figure was 24 hours 8 minutes. Last year it was 21.06, and figures for the previous eight years were: 24.09, 24.06, 26.42, 24.10, 23.16, 22.20, 23.50 and 22.54. Scarcely what you would call a dramatic change.

The population figure is static. The number of hours viewed is static. But the number of channels keeps on going up. Channel 5 is due to open in seven months, digital channels are promised remarkably soon from satellite, and not long after from terrestrial broadcasters.

If they are to get any viewing at all then somebody else's figures must fall, which was, obviously, Birt's thinking in the first place. But so far the rate of change looks more like evolution than revolution.

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No summer season in London passes without a spectacular run of commercial Oriental art shows. Eskenazi presents its 46th, this time focusing on surface embellishment and sculptural form in early Chinese art (10 Clifford Street, W1, June 11-July 13).

Rarities abound. Among them is an unusually large

Han period bronze mirror decorated with bands of vermilion and green and lively scenes of figures in charging chariots hunting boar, and the calmer pursuit of playing a board game. Its decoration is the closest one will get to 1st cen-

tury Chinese painting. Remarkable, too, is a Han bronze oil lamp in the form of a kneeling slave holding a lamp aloft. The slave's tunic is worn over only one arm so that the empty sleeve falls to the ground and ingeniously

provides an essential third support. What singles this piece out, however, is its naturalism, something neither prized nor usually practised by the Chinese. Physiognomy and musculature are detailed to the point of folds in the nape of the neck.

Also from the Han period is a menagerie: a snarling gilt-bronze bear studded with cabochons of agate, turquoise and crystal, its razor-sharp teeth and claws silvered; hemispherically smiling leopard scroll weights are lavishly inlaid with scrolls of silver and double circles of gold. The Tang earthenware entertainers clearly sport false beards. Prices £15,000 to £800,000.

S. Marchant & Sons mark the renovation of their premises at 120 Kensington High Street, W8, with a show of

18th century Chinese Imperial wares, the house speciality: "Imperial Porcelain of Kangxi, Yongzheng and Qianlong" (June 9-25). Most of the types produced for the emperor are represented - monochromes,

dealer Barry Davies, at 1 Davies Street, W1. By acquiring neighbouring premises, the two-floor gallery has tripled its size. Ironically, the space is inaugurated by a show illustrating the development of ostriches (June 15-July 31). About 200 pieces, dating from the 18th and 19th centuries come from a private German collection, the great curiosity an imaginative depiction of Julius Caesar. Contemporary nelsuke are drawn from the US.

Large-scale Metjil bronzes dominate Spink's annual show of Far Eastern art, June 6-26. A pair of life-size and intricately cast figures represent Fufan, god of the winds, playing a fute and Raiden, god of thunder, banging a drum.

At Jehanne de Biolley (29 Conduit Street, W1, until June

28) the emphasis is on Qing dynasty Gnan wares - 18th and 19th century celadon crackle-glaze porcelain. Prices £200 to £8,000. Robert Hall presents a group of Qing porcelain snuff bottles at 15c Clifford Street, W1, June 10-26.

Robert Kleiner, at 30 Old Bond Street, offers Chinese snuff-bottles and related works of art from private collections, June 18-30.

A characteristically wide

range of exhibits is on display at The Oriental Art Gallery, 4 Davies Street, June 10-30. Michael Goehnis branches out with his first exhibition of contemporary Chinese art, showing the work of 13 painters and sculptors working in mainland China, the US and Europe. Whether representing the traditional or the avant-garde, all respond to the tremendous impact of western art on modern China - 116 Mount Street, W1, June 19-July 31.

Susan Moore

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ARTS

Sad tale of radical revisions

Clement Crisp finds 'Coppélia' has lost its magic at the Paris Opéra

Coppélia is one of French ballet's treasures, a masterpiece of light comedy buoyed up on Delibes' sunlit and bewitching score. At its creation in 1870, Gaudier hailed its "comic grace", and it is, in action as in melody, unfailingly graceful and light-spirited.

The result, as we know, is an acutely judged comic masterpiece that conceals its more serious elements under a sunny surface of peasant jollity and winning good humour. At the Paris Opéra, where it was created on the eve of the Franco-Prussian war, Coppélia has had a chequered existence, having been neglected, revived, restored, re-thought during the passing century. The version made for the ballet in Imperial Russia by varied but loving hands is the one we know and love best.

Now a new reading has been mounted by Patrice Bart, the Opéra's chief ballet-master. It is a radical revision of text and score which aims to reassert the sombre qualities of the original Hoffmann tale, Der Sandmann. The score has been pulled about, with numbers replaced or excised and dances from Delibes' operas interpolated, and the story wholly altered. Sad to say, these changes have made Coppélia more unlikely than its first version, and rather boring, but no more serious. Coppélius is now a hand-

some widower who falls in love with Swanilda, a dancer of Degas time, seeing in her an image of his own late wife who was a ballerina. His evil genius, Spalanzani, lures Swanilda to Coppélius' laboratory (filled for no good reason with automata) for unclear but doubtless unpleasant reasons, whence she is rescued by her beloved, Frantz, who has become a student of natural sciences. As the second of this staging's two acts ends, we see Swanilda and Frantz reunited in a duet, yet haunted by the memory of Coppélius.

I can find no reason to hail this production as a valid work of an old and honoured work of art. Roland Petit made a delightful and credible updating for his Marseille company some years ago, but his changes sat happily on the score, which he very properly respected. Bart's concept typifies the current passion for supposedly "deepening" the classics by exposing or imposing themes: Giselle as a study in madness; Swan Lake as an exercise in Freudian analysis of its hero. This Coppélia substitutes spu-

rious drama for the original's clear and by no means inconsiderable tale, and, unforgivably, plays merry hell with a musical jewel, recutting it so that its sparkle is lost and its shape deformed. What merits the production shows have to do with the sparkling opportunities offered its cast, and Bart's delight in his company's skills. Dances are brilliant, and brilliantly done: there is a Nureyev-like determination that step shall crowd on step, and dazzle the eye as they dazzle the dancer's feet. And they do. The cast I

saw this week was headed by Fanny Gaida as a worldly Swanilda - a bit short on charm, I found - and Manuel Legris, who can do no wrong, as Frantz. His physical resource (soaring, showing the stage with technical sparks) is matched by an easy liveliness of temperament. His four friends, gifted as he, have a mirror in Swanilda's eight companions, who are as fetching as they are bright in manner. (The Opéra produces cohorts of such splendid dancers every season: schooling tells) Coppé-

lius is Jose Martinez, darkly brooding, credible, and Spalanzani is Fabrice Bourgeois, playing what is in effect the traditional Coppélius role in fine style. Ezio Toffolutti's design is handsome and Vello Palm drew excellent playing from the Opéra musicians. But to an old Coppélia hand, it was disappointing to find Frantz zipping through a ferocious solo to the delicious music written for Davu's solo in Act 3. There was, to coin a phrase, something wrong somewhere. There was, sad to say, something wrong everywhere. Oh dear. Coppélia is on view on June 1, 8, 9, 10, 13, 14 and July 15, 16, 17, 18, 19, 20 at the Palais Garnier.

A successful festival is more than the sum of its parts, and this is true of the still young BOC Covent Garden Festival. Covent Garden is, heaven knows, one of the busiest parts of London, and yet each year it really is somewhat transformed by song.

Venues most of us never enter become the setting for operas, musicals, recitals, masterclasses; some cafés and restaurants become flooded by live arias, and many working Londoners wish they could take the time just to seek it all up for the two packed weeks in which it occurs. The direction in which the BOC festival has developed most markedly this year is the musical. The Freemasons Hall, memorably the setting last year for the festival's production of The King and I with Irek Mukhamedov, will house Camelot next week. And the Ambassadors Theatre, usually occupied by longer-running plays, this year is the home for a two-week production of an utterly delicious production of Dames at Sea.

A large part of the production's appeal in advance is that it features the lustrous American star Kim Criswell, who five years back sang so well the leading role of the West End production of that great musical, Annie Get Your Gun. In the event, part of the fun - part of the joke - of this production is the extent to which Criswell mucks in as part of a very fine ensemble. Dames at Sea is, in certain senses of the word, thoroughly camp: i.e. it mocks what it adores at one and the same time. It is an old-style musical (actually written in the late 1960s, though this is hard to ascertain from the programme note which is regrettably short of factual information) that laughs at 1930s-type musicals even while it palpably celebrates them.

Ruby steps off the bus from Utah, nearly loses the suitcase containing her ruby tip shoes, lands a chorus job in a Broadway musical, falls in love with the sailor and budding songwriter Dick ("Where are you from?" he asks her. "Utah." "You too!"), somehow transfers with the entire cast to Dick's ship when the show's Broadway theatre is demolished, nearly loses both Dick to the show's star Mona and her job too, but - when Mona collapses in mid-show from sea-sickness finds herself going on in Mona's role and becoming an instant star all in one day. Only Dames at Sea, which lasts less than two hours with interval, has much more plot than that little preface. The book and lyrics for this daff, naughty, happy musical are by George Halmsohn and



Utterly delicious experience: John Peterson and Sara Crowe in 'Dames at Sea'

Drowned in pleasure

Alastair Macaulay on a new production of 'Dames at Sea'

Robin Miller, and the music is by Jim Wise. The score is ideal pastiche: Wise not only captures the period to perfection, but he also shows you his sources as he goes along. Though "That Mister Man of Mine" is a hit number in its own right, part of its fun is the way it uses the same four-note premise as George Gershwin's "The Man I Love". (Another part is its words, ending up with "I can't live on kisses/So I'll never be Missus/To that Mister Man of Mine.") And he and his colleagues can laugh more forcefully at the kind of trite waltz song that was already dated in the 1930s, as in the hilarious "Echo Waltz" ("though critics may

say/That to sways/Is pass...") John Garyne's production is full to the brim with pleasures major and minor. A very great plus is the degree to which Lindsay Dolan, the choreographer, has all six members of the hard-working cast dancing with terrific flair in a variety of styles. Two of them, Joanne Farrell as Ruby and Jason Gardner as Dick, are obviously accomplished hoofers as well as more than decent singers. But the most winning dancing of the show occurs in a handful of ordinary steps irresistibly delivered by John Peterson (a wonderful performer all round) as Lucky. The wittiest dancing of all

comes from Kim Criswell in her ultra-Latino duet, "The Beguine", with Peter Duncan as Hennessy, with its blissfully and absurdly sexy little rumba-type changes of direction and tango-type twists of the head. (At this point - don't ask why - Mona/Criswell has reverted to a Hispanic previous persona. Consuelo, seducing Duncan who is, er, the captain of the ship which she wants to use as the stage for the show.) Other pleasures include the minimal degree of amplification used; the stylish designs by James Hardy and Alison Cartledge; and the marvellous security of Criswell's singing. The only problem is the silly strangled-frog voice with

which Sara Crowe - playing the tough broad Joaze who knows that Mona was originally Grace Toppeloffsky - seems to think it necessary to act, here as in every other production in which she appears. (It's even worse when she sings.) And yet even Crowe here, for the first time in my experience, is a winner. She has timing, she moves with wit, and she relishes the deadpan punch with which she puts across numerous lines. Ruby asks "Was that really Mona Kent?" "Yes," replies Joan. "Every bolt and rivet of her." At the Ambassadors Theatre, WC2, until June 8.

Radio / Martin Hoyle

How the others see the English

Victorian Values (Industrial Relations Department) Award of the Week goes to one John Peaker, of a firm called Chelmsford (note) which enjoys the privatised franchise for buffet trolleys on Regional Railways North-East. To those employees unhappy at the abrupt cut in wages from £3 to £1 an hour, he writes: "My advice to you is clear: leave. You will not be missed." In fairness, buffet stewards are meant to make it up in commission; 10 pence rake-off per sandwich, hardly provides an enticing career prospect for the ambitious young, especially as work conditions exclude sick pay, holiday pay or talking to the media. It is not as if there were that many chimneys or mines they can send their children respectively up or down any more. Legal? You bet it is, the only possible cause for complaint being "insufficient consultation".

Tuesday's You and Yours came up with this piece of industrial archaeology positively thriving in our race to privatisation. This, along with Face the Facts, Analysis and any number of conscience-twinking, hard-nosed investigations, illustrates why the BBC's independence should be cherished more than ever. The Law is an Ass Award (Pettifogging Little-Elitist Provincial Bureaucracy Department): to East Devon County Council. According to Tuesday's P.M., they have ordered a woman to destroy the fruit of over a decade's labour in creating a pretty garden, complete with fountains and pigeons, since the land concerned is designated as countryside. She has been told to return it to the eyesore patch of bog that was there originally. No pressing environmental reason was given. Of course, they are all English on that side of the Tamar, as the Cornish snuggly reminded us in A View from Abroad: a woman from Pennsylvania, a teacher and poet, who carries a Cornish pebble around with her, proved what the tourist industry terms "a pushover". In a voice hushed with tremulous emotion (rather like Paul Gambaccini introducing Pach-

They only have to switch on Radio 4 for an American accent or an American theme to assail their ears

elbel's Cannon) she rhapsodised about the timelessness of "this wonderful area" and wonderingly asked the locals why the Cornish language had been "shunted aside" (the fact that it was totally useless in the modern world appeared not to occur to anyone). The Cornish welcomed her with the alacrity their forefathers showed in huring ships on to the rocks and massacring the survivors, playing up their mysticism and lamenting that their legends are discounted because they fail to "fit in with archaeology" (i.e. are barefaced fiction). An unconscious humour was added by the inclusion of these words like "sidewalk", "cried one, misty-eyed at this hands-across-the-Atlantic Bruckwood" (twixt Celt and New World, to the exclusion of the English). Dear lord, where have these people been? They only have to switch on Radio 4 for an American accent or an American theme to assail their ears, from Woman's Hour (even in the Bank Holiday edition, devoted to a famous Liverpool woman MP, Woman's Hour has a unique idea of holiday fun) to A Good Read (the remorselessly would-be trendy Sarah Dunant has overcome her heavy breathing but not the glottal stops). Foreign Bodies had its share of gleeful American voices (and one Antipodean, lamenting that it was harder to look

up dancer's skirts now that their stages were lower), incredulous at their sexual luck in Tokyo. Japanese women have apparently never been taught to say no. This exploration of the night-life/clubland area of the Japanese capital was saved from being thoroughly unsavoury by the women themselves: self-possessed, unembarrassed, clear-eyed, and certainly claiming their side of the bargain. Breakaway broke new ground with its survey of gay Amsterdam, a curiously anti-septic piece given the purpose of the clubs and bars visited by its chirpy correspondent. A coy reference to a snogging couple by dawn's early light, then it was off to bed: "Alone - of course!" The item discreetly subsided between all possible stools. The theme of seeing ourselves as others see us has been this week's theme. Brussels Goes Bananas comes into the category of Lotta and the Englishmen, heard a few weeks ago, which left me wondering: a foreign version of straightforward comic reporting on the lines of The Day Today and other hoax-like send-ups of immortal memory. This Belgian co-production was fronted by two alleged Euro-officials who sounded like a cross between the hosts of TV's Eurotrash and Peter Sellers' Inspector Clouseau. A sort of "Candid Camera" of the British public on their linguistic abilities, driving on the right, swapping places with French counterparts for a few months (one London barber sounded distinctly nervous). Their search for typical Britons threw up a girl with green hair at a "legislate marijuana" demonstration and a Soho-ite complaining about the idiocy of the striptease regulations before they beat a baffled retreat. An engaging item which reinforces the image of Magritte's underrated homeland as the most quietly witty country in the European Union; even though it may not inspire Pennsylvania poets to carry pebbles from Peppinstor or lumps of lead from Liege close to their hearts for evermore.

Hope and despair in no-man's land

Kieran Cooke on a powerful drama about Northern Ireland's Troubles

The outside world scratches its head and wonders about Northern Ireland. First, there are mind bogglingly complicated elections. Then talks, or talks about talks. The pundits descend and try to explain what is, or is not, going on. It is an impossible task. Local say the province defies rational explanation. Learning about Northern Ireland and its problems requires an extended period of interment in the province - not just for a few months or years, but for generations. Pentecost, a play by the Belfast writer Stewart Parker at present on tour with Dublin's Rough Magic company, is a short cut to a deeper understanding of the strange slice of land on the western fringes of Europe. Pentecost is set in Belfast in

1974, in the darkest days of Northern Ireland's Troubles. The city is in chaos as thousands of loyalist workers mount a strike to bring down a power sbaring executive, which, for the first time, contained members of the Catholic nationalist community. Five people are trapped in a house on the firing line between the city's Protestant and Catholic working class ghettoes. Each is trying to come to terms not only with the mayhem around them but also with the disarray in their own lives. Miriam, a Catholic separated from her musician husband,

moves into the house. She first has to confront the ghost of Lily, a sharp-tongued Protestant and former owner of the house, who is suraged to find a "Fenian savage" making herself at home. "You've been at your Mass again," says Lily. "I can smell it." Miriam's former school friend Ruth, a Protestant battered by her policeman husband, moves in. So, too, do Miriam's estranged husband and his friend, returned from England in the midst of the chaos. The dialogue sparkles with dour Belfast humour. The men

remember their time as idealistic students, trying to prevent the outbreak of the Troubles by tipping hallucinogenic drugs into the Belfast reservoir, in the hope of rendering the city's population incapable of anything but dreaming. One member of the household decides that weddings and funerals are very much the same in the province. "Only no one takes photos at funerals." Each feels alienated from the outside world, which has passed Northern Ireland and its ancient problems by. The English, as clueless as ever about events in the province,

wait for reason and fair play to break out. Harold Wilson's speech at the time of the strike is played. Who do these "spongers" think they are? asks Wilson. "The smug wee English shite, with his squeaky voice," says Ruth. Northern Ireland is subjected to merciless abuse. It is small-minded. It is "Lilliput", the "arsenhole of hell". Yet at the same time the province and its problems serve as the glue which binds the household and all its differences together. Miriam, as the central character of the play, is portrayed

with passion and verve by Eleanor McEvoy. Carol Scanlan captures the repression and bitterness of the ghost Lily, while Paul Hickey, alternates between clown and philosopher as the returnee. Pentecost is directed by Lynne Parker, the niece of Stewart Parker, the play's author. Lynne Parker is a veteran of several productions both in Ireland and Britain and is part of a group of young Irish directors establishing themselves as a force in mainstream theatre. Stewart Parker, who died in 1988 while still in his 40s, was from Belfast's Protestant work-

ing class community. He felt that a sense of rejection and alienation were deeply embedded in the Northern Ireland psyche, particularly in his own community. "Growing up in Belfast as a working class Protestant, I had access to all sorts but did not feel part of any of them," said Parker. "You're led to believe you're British yet the English don't recognise you as such. On the other hand, you're Irish because you're born in Ireland, but the people in the Free State don't recognise you as such. The working class element adds another dimension, because you are alienated from

the Unionist establishment. In a sense you inhabit no-man's land." The house in Pentecost is a metaphor for that strange in-between world. Yet it is also a symbol of hope. It remains standing amidst the riots and army patrols. Somehow life goes on. The household agrees that if God came down to Northern Ireland he would close every tavern and church in the province. In the place of religion would be a more pervasive spirituality in which people would have to learn to love themselves first, and then each other. Pentecost is at the Royal Lyceum, Edinburgh, until today, the Belkale Arts Centre, Limerick, June 5-15, and Andrews Lane Theatre, Dublin, June 18-July 6.

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SPORT

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Full bore to grand prix excitement

John Griffiths is moved to agree with his mother - that the tedium has been driven out of formula one

Time was when a chap could safely watch the start and first few laps of a grand prix, snooze through the tedium of the mid-race procession, then wake to check out the final, predictable parade past the chequered flag.

That is not the jaundiced view of a veteran couch potato.

I have been bored stiff in Buenos Aires, soaked at Spa and once - memorably for a place which in spring and winter contrives to be the coldest place on earth - sun-dried at Silverstone while dancing attendance on Formula One.

Even Gerhard Berger acknowledged this month that the introduction of refuelling had been a good idea, in spite of its dangers, because TV audiences had become "understandably bored with watching endless professional races with very little overtaking". And he drives the things.

But surely, after the events so far this season, not even the most casual viewer can profess to be bored? In fact, I know this for a

certainty. My mother, wholly unable to tell the back end of a Benetton from a barbecue, rang after Monaco to say she had watched the whole race all the way through - as she did Germany's Nurburgring race and the preceding contest at Imola. Truly, grand prix must be on a roll.

But then, who among those who watched could ever forget the sights of Monte Carlo? World champion Michael Schumacher, who makes the average pontiff seem lacking when it comes to infallibility, ordinarily throwing his Ferrari into the wall just half a lap into the race - and after an inept start.

Furthermore, his blunders came after we had all been convinced, via

a stunning pole position practice lap half a second quicker than anyone else, that Ferrari was poised to take its first big step towards a drivers' world championship title - last secured for the Prancing Horse by Jody Scheckter in the 1970s.

And Damon - poor, poor Damon Hill. In past seasons, the Rothmans-Williams-Renault driver has too often been his own worst enemy: too sensitive to media criticism and, partly in consequence, quick in practice but erratic in traffic and excessively prone to overtaking errors. But this year, his newly grown thick skin shrugging off the media barbs, Hill has matured.

He came to Monaco with four wins from this season's preceding

five races and on the principality's winding, crowded streets drove a textbook race. He out-dragged Schumacher into the lead; inexorably opened out a gap of many seconds even over that acknowledged wet weather virtuoso, the volatile Frenchman Jean Alesi.

Only on a few occasions in recent seasons has a driver so clearly had a race in the bag. And on lap 41, his Renault engine had a rare but catastrophic failure, and probably the best chance the Englishman will ever have of victory in the race he has most wanted to win - which father Graham won five times - lay shattered among the engine bits.

Alesi, this year's *enfant terrible napoléon* for his litany of collisions

and off-track excursions, should have inherited the win. Sixty laps in, only a dozen or so to go. yet he, too, was out - victim of a broken rear spring.

With Schumacher's defection to Ferrari, Benetton team boss Flavio Briatore is already finding life as an also-ran thoroughly discomfiting. Before Monaco, he had read the riot act to both Alesi and team-mate Berger and has made it known he is scouring the paddock for possible replacements. A win could have helped repair the breach. Instead, Briatore found himself with the unlikely consolation of the debut victory of the young Frenchman Olivier Panis in his Ligier - a team which Briatore also mostly owns.

The Monaco scenario - not least of only four cars surviving out of 21 starters - will not be repeated on the broader sweeps of Barcelona's Circuit de Catalunya in this weekend's Spanish grand prix. As team owner Frank Williams points out: "Monaco, in many respects, is a freak circuit and freak tracks are going to produce freak results."

But the ever-swelling ranks of F1-watchers, need have no fear of a relapse into tedium.

Schumacher, still kicking himself for his Monaco misdemeanours, is now confident that speed and reliability of the blood-red F310 are such that victories - possibly even a serious stab at dislodging championship leader Hill - are on the

cards this year. Hill, whose 21-point lead over team-mate Jacques Villeneuve and 27-point advantage over Schumacher were left unchanged by Monaco, once again set the fastest time in testing at Silverstone last week.

With six races gone and 10 to go, the prospect of the title grows ever stronger - and so does Hill's determination. A trouncing by Schumacher tomorrow could yet send the whole facade crumbling. But even F1 impresario Bernie Ecclestone, not exactly one of Hill's most ardent admirers, now admits the British driver is "doing an absolutely superb job".

Add to the plot the resurgent McLaren-Mercedes, following David Coulthard's second place at Monaco, the enigma presented by Villeneuve - so quick on his Formula One debut, not quite so impressive now - and the partly guided missile factor of Jean Alesi, and the scene is set for fireworks all over again. Keep watching, mother - the pointy end is at the front. Not that you could tell from Monaco...

Sporting Profile

Why the players are dancing to a different tune

Simon Hughes on David Lloyd, England's popular new coach

The Texaco one-day series, just completed, was a triumph of mind over matter. India had the best batsman (Tendulkar) the best bowler (Kumble) and the best recent form. Since January, England had played nine, lost nine, against serious opposition. While India's World Cup squad was still more or less intact, England had dropped seven and some of the replacements were an unknown quantity.

Behind the scenes, the squabbling between the chairman of selectors and various disgruntled players was threatening to destroy what was already an unhappy marriage. Then in strode David Lloyd, former Test batsman, perspicacious coach and professional Lancastrian, a new director with the task of quickly assembling a cast in the rehearsal rooms.

Lloyd grabbed his clapperboard, and, breathing pride and ambition, focused on the mental side. The core of his approach was a series of motivational aids - videos of great sporting moments, recordings of Churchill speeches, slogans, catchwords - to nourish that elusive commodity, confidence.

He presented new prompts which he was sure would help each player to express himself better. The results exceeded expectations. No one forgot their lines, and all delivered them with a verve, even an enjoyment rarely seen on an England stage. Wearing the national costume actually meant something, rather than resembling just another outfit, and, in the end, England won the series comprehensively.

David Lloyd is a born enthusiast. He bubbles with energy in everything he does, be it coaching, after-dinner speaking or presenting TV programmes on growing your own fruit. He has a motor mouth uttering 200 words a minute in a rich, hurring and baffling Burnley-speak eagerly absorbed by fawning reporters. "Alister Brown, openin' the imzins, woon day intermashional, own ground. Bottle!... Then Ronnie got us goin'... played nicely. Ronnie... when e' walked down

them steps you could tell: Luke et me, it's me now, my turn. I'll ave a doo." Known universally as Bumble after a bouncy, children's cartoon character with a big nose, Lloyd is the England buzz.

A stylish left-hander, he progressed, after learning his cricket at Accrington CC, to opening the innings for his county and, briefly, for his country, making 214 not out against India in 1974. He also captained Lancashire before another very different Lloyd - Clive - took over. The repartee he developed during his playing days guaranteed a lucrative second career, and, when he retired, he was inundated with speaking invitations in an area of England where sporting dinners are as common as jumble sales.

The players respond to him initially because he is on their level, with their interests at heart

His abundance of anecdotes and quirky humour made him a popular, though only temporary, member of the first-class umpires' panel, and he won further exposure for his Test match commentaries on radio and television.

But while his mouth was behind the microphone, his heart always lay in the pavilion. He was loath to criticise players publicly; he had a son in the Lancashire team and hung about the Old Trafford dressing room like an adoring fan.

It was only a matter of time before he progressed from working with junior teams to becoming the county coach. Lloyd made an immediate impact. He brought in eye specialists, psychologists and fitness experts, bought baseball mitts for everyone to encourage more stringent fielding work-outs and underpinned the quest for

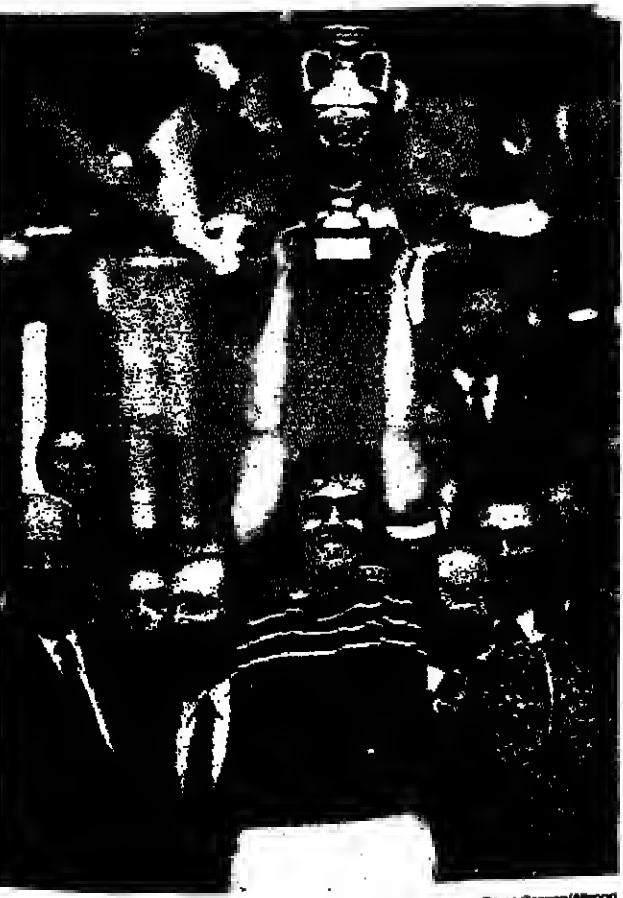
individual improvement with an emphasis on the team ethic. "Teamwork is all," he says. "If you're under the cosh and you've got two in and they're playing well and the ball's spitting and turning and grubbing, I think it's vitally important that they can look up to the balcony and see the team watching and enjoying it." For much of last season, Lancashire played vibrant cricket, winning the Benson and Hedges Cup and finishing in the top four in the Championship and Sunday League.

Lloyd has something in common with another intended saviour of English sporting pride - Glenn Hoddle. Both are influential artists with agile minds who cannot boast a league winner's medal as either player or manager. That won't deter Lloyd. He is as happy as a sandboy roaring around grounds, filming batsmen, discussing bowlers, canvassing opinions, telling stories. Virtually every sentence begins with "I remember when..."

He is a disciplinarian but treats cricketers as equals rather than subjects. Yet fun and enjoyment is top of Lloyd's bill. "Cricket is not funny, but you can enjoy it - must enjoy it," he says.

Nudging 50, he still embraces new concepts and demands. It was his idea to put together a sequence of each player hitting sixes or sending stumps flying set to their favourite music. So the England team emerges on to the field humming the sounds of M People's "Search for the Hero inside yourself" and Tina Turner's "Simply the Best". The players respond to him initially because he is on their level, with their interests at heart.

The selectors meet this weekend to pick the team for the first Test. There will be some banter between Lloyd and the England captain Mike Atherton - good friends for 12 years. But there is serious work to be done, and Lloyd knows that the extension of his six-month contract hinges on England's Test performances in the coming weeks. Released or retained, he will give the same answer he always gives to questions about cricket - "Glad to be part of it."



All-round excellence: Michel Platini in 1984

Football/Peter Aspden

Game of gloriously human imponderables

With the announcement of the squads for next week's European Championship, we can get down to serious scientific analysis to judge the prospects of the 16 nations taking part. Except it is not quite as easy as that.

Football is only partly about strategy, tactical acumen, refinement of technique. The rest is down to those gloriously human imponderables - strength of character and maturity of purpose. It was surely with these in mind that the country groaned to hear of the England squad's latest escapades on their flight back from the Asia.

You can talk all you like about systems and plans, but if the mental adaptability and sophistication is not there, you might as well be talking to monkeys. England's footballers, with some notable exceptions, have never distinguished themselves in this regard. It is

as if the rigidity of British playing styles is reflected in the thinking of those asked to execute them.

And yet to his credit, England's coach Terry Venables has done his best to introduce a more refined, modern dimension to England's style. His squad has a pleasingly flexible look to it. Venables rightly believes that there is not that much difference between playing as a twin centre back and as a defensive shield in midfield; hence the presence in the squad of Sol Campbell and Gareth Southgate, who may be asked to perform either function.

It might seem like a small step, but remembering the defensive chaos of England's abject World Cup qualifying defeat in Norway under Graham Taylor, it is remarkable.

Unfortunately for Venables, England's defence has not been tested for more than two years. But the ease with which Tony Adams was outstripped in the



ludicrous encounter with a Hong Kong XI composed of Sunday beer bellies and veterans was sobering.

This week will see Venables putting the final touches to the system he is widely expected to employ: a 3-1-4-1-1 formation which depends more than is desirable on the two Pauls, Ince and Gascoigne.

But once the first whistle of

Euro 96 gets things under way, tactics and systems take second place to the whims and caprices of players. International tournaments are traditionally dominated by the player who is most "up for it". Moments of brilliance can undermine the most meticulous planning. Think of Marco van Basten's searing volley in the 1988 European Championship final against the Soviet Union, which left the Soviet keeper Rinat Dasayev lurching drunkenly in disbelief.

Before that, Michel Platini's remarkable goals and all-round excellence in the 1984 tournament; Marian Masny's superb displays in the enthralling 1976 finals; Gunther Netzer's arrogant domination of the 1972 competition in Belgium. All were of proven pedigree at the start of their respective tournaments, and therefore marked men; yet they managed to lift their teams at the right time.

One can look closer to home to prove the same point. This

year's FA cup final between Manchester United and Liverpool was not decided by any system. True, United's sharp tackling and sound defence snuffed out anything Liverpool could throw at them; yet it just took one sweetly-struck volley to swing the game. It is the beauty - and the near-unbearable frustration - of football at the highest level.

I am sure Venables was fascinated as he watched Ajax and Juventus, two of Europe's most sophisticated sides, battle out the Champions' League final in Rome two weeks ago. It is easy to become enraptured by Ajax in full flow. Their fluid and fluent passing game - based on immaculate technique and concentration - can have a mesmerizing effect on opposition and spectators alike.

Yet Juventus, deciding to eschew the midfield battle which they would almost certainly have lost, countered by playing with three forwards, and concentrated on supplying

them early and frequently. Ajax's three-man defence looked flustered from the start; the hard running and pressing of Gianluca Vialli and Fabrizio Ravanelli never let the Dutch side settle into a rhythm. It was not quite the Charles Hughes school of up-and-at-'em football, but it certainly was not the type of patient, phlegmatic game we have come to expect from Italian sides.

Juventus still only managed to draw the match, however. To win the cup, they had to rely on the nerves and technique of their four penalty-takers who duly stood up to be counted. It would be a big surprise if Euro 96 did not see at least one game decided in this unsatisfactory manner. Yet to take a penalty is the ultimate test of technical ability and strength of character. Contrary to popular belief, luck has little to do with it. Perhaps these crude, dramatic games encapsulate all that football has to offer after all.

FOOD AND DRINK

South African wine / Jancis Robinson

A need to learn the tricks of trade

It is difficult to spend more than half an hour with a South African wine producer without hearing some reference to Australia.

Australia has only about a third as much land under vine as South Africa but exports about a third of its wine production. The comparable South African figure is well under 10 per cent.

One significant person prowling around last week's London Wine Trade Fair was a Master of Wine paid by Australia's biggest wine producer to keep an eye on the competition.

Do South Africa's wine producers realise just how competitive the international wine market is? Many seem to think that all they have to do is learn one or two Australian tricks and then sit back and count their export income.

Fierce, flexible, go-getting competitiveness on the international marketplace is not perhaps in the psyche of the typical South African wine producer, who may be more comfortable chewing the cud over a brandy than a beer than thinking about his sales pitch in the waiting room at Tesco in Chesham, Hertfordshire.

South Africans have been cocooned to a certain extent by the fact that there is a shortage of internationally desirable grapes such as Chardonnay and Merlot, so these wines tend to sell out easily, whatever their intrinsic quality.

Well over half of the Stellenbosch wine region, South Africa's Napa Valley, is planted with Chenin Blanc vines. Farmers seem reluctant to graft over or pull out such an obliging workhorse, no matter how difficult its produce may be to sell.

Sterik de Wet, head winemaker for the all-important KWV, the semi-official exporting co-operative group, believes that there may even be a surplus of basic wine in South Africa towards the end of the year. For the first time in living memory, more than 70 per cent of the country's entire grape crop was made into wine in 1996 (more than half of it went into grape juice

and grape spirit before 1994). The 150-odd winery owners (from a pool of more than 4,500 growers, most of whom sell their grapes to a co-op) are in an enviable position, however. They are the ones responsible for the great majority of all South African wines that are ever written about. But they represent such a small proportion of national wine production that they can sell anything they make twice over (and frequently do, according to some UK importers who feel South Africans have a thing or two to learn about the mores of international trading).

The key to South African wine's long term future is probably the extent to which the co-ops can be harnessed to produce something more competitive on the international market than the cheap, but often vapid, Colombar and Chenin Blanc that has been their principal contribution.

Producers may be happier chewing the cud than rehearsing a sales pitch

Neither grape variety is necessarily awful, indeed the Robertson area seems to put a particularly attractive, smoky spin on Colombar - even if it trumpets its prowess with Chardonnay louder. The lavishly financed Graham Beck winery (and stud farm) has fashioned a seriously good value Waterside White 1995 from Colombar given gloss by the injection of 20 per cent Chardonnay with a light dusting of oak. The 1995 is sold by Eldridge Pope/Reynier around £4.50 and the 1996 should be in Safeway stores at £3.99 within the next few weeks.

And the UK is, hearteningly, beginning to see some characterful, concentrated Chenin Blancs made in the model of Boschendal's excellent 1994 such as Frank Meaker's Thaxakoma 1995 (£4.45 69 stores); and Welgemeend, Noel Donelle 1992, (£7.99 Noe Young of Trumpington, Cambridge) is a particularly gentle, stylish blend of Cabernet, Merlot and Malbec.

Predictably, the commercially liveliest South African wine producer I met on my recent visit is also taking Chenin Blanc seriously, as witness the pungent, unopened Fairview Chenin Blanc 1995 (£3.99 Waitrose).

Charles Beck is hip enough to be planting Viognier grapes, enterprising enough to be punishing some oak-chipped

Chardonnay into a Fairview Crouchen/Chardonnay 1995 (£4.99 at Waitrose) - clever enough to mature a deliciously long, rich Fairview Semillon 1995 (£5.99 Oddbins) in ex-Chardonnay barrels, and inventive enough to turn unfashionable Cinsaut grapes into the dry, sunny Fairview Dry Rosé 1995 (£3.49 Asda) that is a definitive outdoor drink.

A good red wine model for the co-ops is Safeway's rich yet dry Kleindal Pinotage 1995 from the Rooiberg co-op in Robertson at £3.99. Safeway's more expensive Pinotage from Simonsvlei looks poor value in comparison but this Paarl giant has somehow managed to provide Asda with a juicy Cape Red from Cinsaut, plus a little Pinotage and Grenache, that is actually quite acceptable for just £2.99 a bottle, or £10.99 per three-litre box.

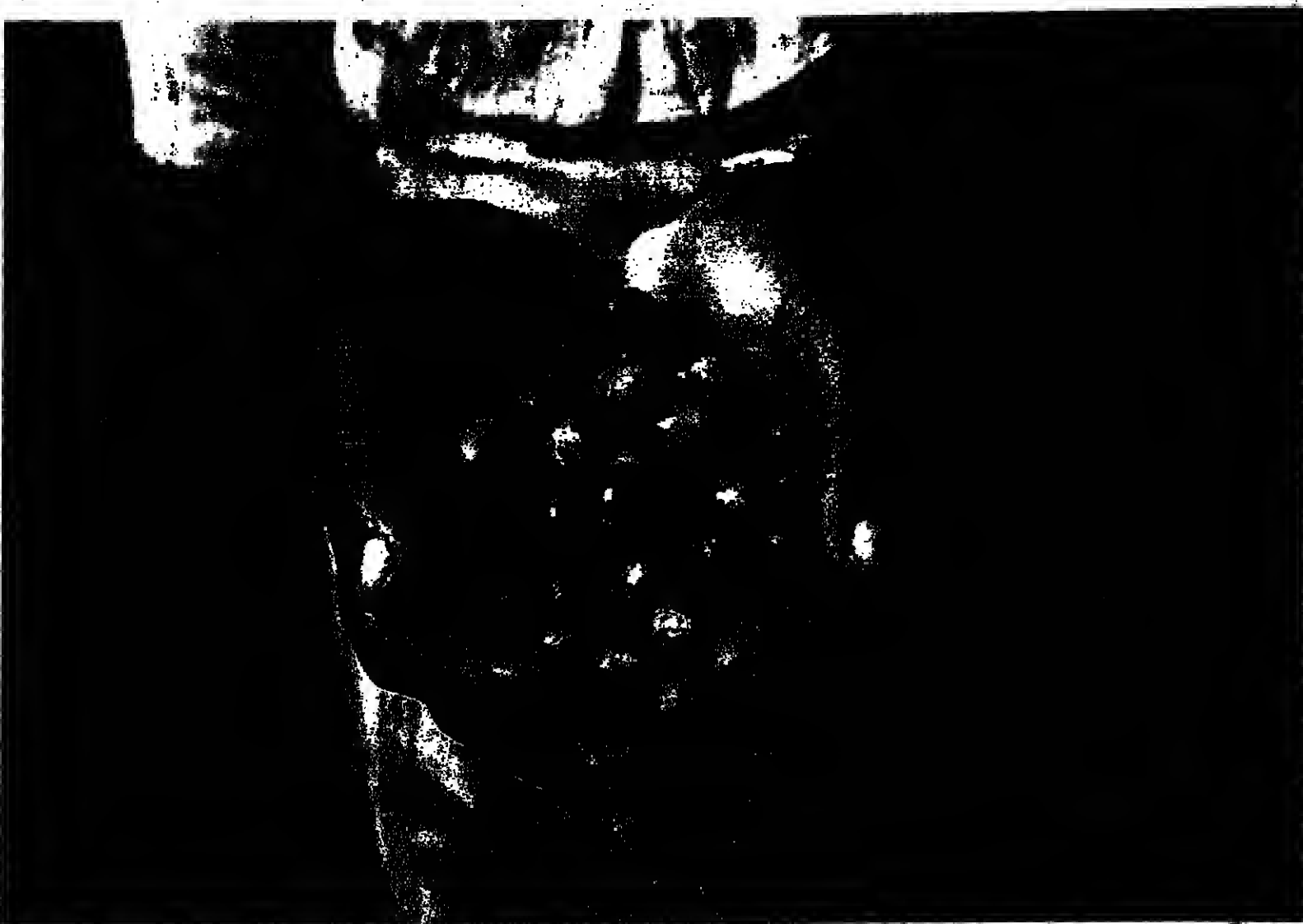
Asda has a particularly good selection of South African wines, notably some gems from Stellenzicht. Its owner and winemaker are busy trying to elevate its wines from bargains to crown jewels. This may be the last time therefore we can buy such dramatically full throttle reds as Stellenzicht Bush Vine Zinfandel 1995 (£4.99 Asda).

Even more unusual from any country other than Australia is the richly botrytised Stellenzicht Noble Late Harvest 1995, just £5.99 a half, also from Asda. It is gorgeously big and blowy now - for glasses not cellars - and Majestic has the historic and impressive sweet Vin de Constance at £9.99 per half-litre flask.

The Oak Village label, applied to cherry-picked lots of wine by Master of Wine Lynne Sherriff is generally reliable, with Vintage Reserve 1994 (£3.99 Tesco, Spar, Co-op) being rounder than most South African reds at this price.

New names to look out for at higher price levels are Jacana, where Hugh Ryan has made a splendid 1995 Pinotage; Vergelegen, which is responsible for Sainsbury's best South African wines, including Sainsbury's Reserve Sauvignon Blanc 1995 (£4.45 69 stores); and Welgemeend, Noel Donelle 1992, (£7.99 Noe Young of Trumpington, Cambridge) is a particularly gentle, stylish blend of Cabernet, Merlot and Malbec.

The KWV, like everything closely allied to the old South Africa, is in a state of urgent evolution. Charged with making as many Rands for its co-operative members as possible, it is now planning to sell wine to the British that comes not just from the Cape, but also from Argentina - where else? - Australia.



Blue mountain coffee beans: after cricket is this Jamaica's most sought-after export?

Beans means Jamaica

James Henderson finds out what makes Blue Mountain coffee so special

The Blue Mountains in Jamaica rise steeply behind the city of Kingston. In just a short drive the uncomfortable humdrum and hustle of the capital evaporates.

The Blue Mountains are a side of Jamaica that so few people see: they are one of the most relaxing and charming places in the Caribbean. Immensely fertile, their camel-back ridges are cultivated up to the 4,000ft reaches of the rainforest. Most importantly, the Blue Mountains are home to a renowned coffee.

My walking companion was Willie, a tall man of about 50, whose brown, folk-like dreadlocks were collected in a bunch at the back of his neck. He presented himself as an organic farmer. As we walked, the conversation ranged over ground provisions and market life, and then as we passed through steep fields of bushes with shiny, crinkled, dark green leaves, it turned to coffee.

He spoke in an unusually low voice, with the lyrical and laconic speech so typical of the Jamaicans: "Well, you know, many people dem say dat Jamaica Blue Mountain coffee de best coffee in de world."

It is not only Willie and the rest of Jamaica that assures you so. At Whit-tards, of Chelsea, London, coffee buyer Giles Hilton agrees that Jamaica Blue Mountain is one of the world's finest.

He says: "There is a magic about Jamaican Blue Mountain which inspires awe among customers. The growing conditions are perfect and the drink itself has an exceptionally smooth and slightly sweet taste, which can be recognised at once."

Certainly Blue Mountain is the most expensive coffee in the world. It retails at £26 per pound, four or five times the amount of most other pure arabica coffees. Drinking it is a prestige event. Blue Mountain has its devotees and the demand is definitely there.

To begin with there is a scarcity

value: the geographical area of the Blue Mountains is limited and carefully defined. More importantly, the Jamaicans take more than 80 per cent of the total product (they also have large investments in the industry).

In Tokyo, people are prepared to pay silly amounts of money for Blue Mountain coffee - a simple cup will cost about \$10. The rest of the world fights over the remaining 10 or 15 per cent of the crop.

Blue Mountain coffee must be grown at an altitude of 2,000ft or above. The volcanic soil and the temperature are ideal, but some say that it is the steepness of the mountains (and therefore the quality of sun and shade) that creates the perfect geographical conditions for the beans.

The industry is growing in leaps and bounds. Hurricane Gilbert in 1988 was immensely destructive - 40 per cent of the heavy-bearing plants were killed and others faded after a couple of years because their roots had been damaged - but the Jamaicans are bullish about the industry now. There has been a huge increase in cultivation as farmers switch from more traditional crops to growing coffee.

Willie had the view from the ground. "You know, these people planting coffee by thousands upon thousands of acres," he said, "and three-quarters of the politicians in Jamaica are planting too."

When we took a break in a rum shop, the talk was all about coffee and how it is turning an excellent profit. A man walked by with a curious double kilt; his arms swung back and forth as he pushed his heavy barrow uphill, but he was also compensating awkwardly for a sack on his head. At the junction he handed over his haul of red and green beans, which were measured off in a wooden box of an eighth of a bushel and then poured into a wicker basket.

Willie explained that the coffee was then taken to the Mavis Bank coffee

factory. The factory sits in a cleft between steep slopes, its red-tiled buildings set among "barbecues", flat concrete stretches where the coffee beans are dried in the sun. I met the owner, white Jamaican Keeble Munn, 75-years-old and sharp and spritely. His family has been in the coffee business since before he was born.

He has worked in Jamaican agriculture most of his life (including a stint as agriculture minister), and now he calls himself a relic of the hills. He was also Jamaica's first coffee cup-taster.

I was given a tour of the factory. The cherry berries are "hatted" first of all: light, sub-standard beans are raked off and the good beans are then sliced gradually down to the pulpsters. Machines spin and strip the skin, spitting out coarse white beans called "wet parchment". These are fermented for three days to remove the last of the berry flesh. The wet parchment is then cured, by drying for five days on the barbecue, turned regularly by men walking briskly back and forth pushing toothy wooden rakes.

Too much moisture or rain causes mustiness in the eventual taste and so the beans are heaped up at night against the dew. The dry parchment is bagged and taken to the warehouse to be rested.

After about five months the rested beans are brought out again, warmed for a short time on the barbecue and hulled. The eventual product, after the parchment has been hulled and blown to remove dust and chaff, is "green bean", which is sorted, sized and bagged or packed in barrels (of ash or oak so that it does not take up an alien flavour) for export.

Some roasting takes place at Mavis Bank. The green beans are cooked to a dark tan, cooled quickly and then ground. Keeble Munn speaks with obvious enthusiasm about a lifetime's work

handling coffee. "Roasting," he says, "is some mystic thing we don't understand, but the flavour is definitely improved by it."

He thinks of the beans as sensitive and delicate. "If I put a woman with a lot of perfume in a room with my coffee, then it will come out tasting of the perfume, but not the other way round. Coffee must be treated with great care."

"The maintenance of standards falls to the Coffee Industry Board in Kingston, which is widely reckoned to do a good job. There are a few 'pot-roasters' in the Blue Mountain area who dry their beans by the roadside - picturesque, but not good for flavour - and who tend to over-roast (which turns the beans a shiny, darker brown by bringing the oils to the surface).

The CIB advises people not to buy from them, and does not permit them to export under the Blue Mountain label. Export of Blue Mountain coffee has been growing by between 15 and 20 per cent for four years and output is set to increase as more cultivators get into the game.

There is still a mystery as to how Blue Mountain manages to command such high prices on the international market. Most of the UK coffee importers view it with good-humoured bemusement and marvel quietly (it is highly profitable), but they acknowledge the extremely fine product and then wish the Jamaicans luck with it.

I brought home a bag of roasted beans from Jamaica (where you buy at a bargain price of course) and set about making some.

According to Giles Hilton, Blue Mountain is not supposed to be a strong coffee: it is medium roast and mellow. This certainly held out in my own experience. Blue Mountain has an excellent, smooth and sweet taste in the mouth and a very pleasant after-taste. An extremely satisfying cup of coffee.

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A coupon form for requesting the Casio TV600, including fields for name, address, telephone, and a section for special offers.

Eating out / Nicholas Lander

The Paris bistro war

I have always found it difficult to walk past a Paris bistro. I am attracted by their location - perhaps overlooking a tree-lined boulevard - as much as by what they serve. I am attracted by their names, whether the intimate Chez Pauline or the more philosophical Café de la Paix, and by their pedigree, such as at La Potée aux Halles, which goes back to the turn of the century.

Today, it is even more difficult to stroll past because of the large blackboards proclaiming cut-throat prices on offer. Paris bistros are in the middle of a price war.

Most worryingly, there is the growing challenge from fast food, typified by McDonald's 42 branches in Paris alone. But the short-term jolt to business has come from the general strikes last December and their effect on what even Parisians are prepared to spend in bistros. The strikes ruined trade in December and January and, although it has improved, its resurgence depends on ultra-low pricing.

courses, seven main dishes, one cheese - a Brie in excellent condition - and six desserts.

Expensive ingredients, such as foie gras and fresh truffle were used creatively, the former in a salad, the latter as thin pan-fried slices on top of finely diced onions, olives and anchovies. Cheaper cuts are used as effectively. Venison, an expensive meat, was made to fit the price by being served as a succulent omelette, an inexpensive cut little served or appreciated outside France.

Pasteau adds extra intensity to his dishes by the use of spices, citrus fruits and herbs. One first course fused a roast, spiced apple with chestnuts on thinly sliced celeriac; another combined pear, goats' cheese and thyme. Traditional boulangère potatoes were made exceptional by adding saffron. A

gentle mixture of spices had the same effect in the butter sauce underneath three cigar-shaped pieces of salmon cooked in filo pastry. My appreciation of Pasteau was enhanced by a line at the bottom of the menu: Pain pâti et cuit maison - bread kneaded and baked on the premises.

Our bill for four, including a bottle of invigorating 1990 Bandol (FFr190), FFr40 worth of Badou, and FFr150 in sales tax and service, came to FFr372.

L'Épi Dupin, 11 Rue Dupin, 75006, (tel: 42 22 64 56). Offering similar value: L'Os Moelle, 3 Rue Vasco-de-Gama, 75015, (45 57 27 27); Philippe Detourbe, 8 Rue Nicolas-Charlet, 75015, (42 19 05 89); Baracane, 38 Rue des Tournelles, 75004, (42 71 43 83).

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Advertisement for BUTE WINES, Do not buy any 1995 EnPrimeur wines until you have seen BUTE WINES offer.

Advertisement for CLARETS VINTAGE PORTS WANTED, MAGNUM FINE WINES PLC EN PRIMEURS 95, and WILKINSON WINTERS LTD.

INTERNATIONAL ARTS GUIDE

What's on in the principal cities

AMSTERDAM

AUCTION
Sothebys Amsterdam Tel: 31-20-550220
Modern and Contemporary Art: highlight of this sale is Carel Willink's "Trafalgar Square".

CONCERT
Concertgebouw Tel: 31-20-5730573
Nederlands Philharmonisch Orkest with conductor Marcello Viotti and pianist Elvira Rodriguez perform works by Ravel and Berlioz.

EXHIBITION
Museum het Rembrandthuis Tel: 31-20-6249486
The Old Testament in Dutch 16th and 17th-Century Print Making.

OPERA
Het Muziektheater Tel: 31-20-5518117
Otello: by Verdi. Conducted by Riccardo Chailly and performed by De Nederlandse Opera and the Koninklijk Concertgebouworkest.

BARCELONA
EXHIBITION
Fundació la Caixa Tel: 34-3-4588907
Photography and Society in Franco's Spain. The Sources of Memory lit exhibition of more than 200 photographs reflecting Spanish life from the end of the Civil War until the death of General Franco.

BASEL
EXHIBITION
Kunstmuseum Basel Tel: 41-61-2710228
Canto d'Amore. Klassizistische Moderne in Musik und bildender Kunst 1914-1935: exhibition focusing on classicist modernism in music and visual arts.

BERGEN
FESTIVAL
Bergen International Festival, Norway Tel: 47-55-312170
Bergen International Festival: this festival was founded in 1953 and has since then focused on presenting prominent Norwegian and international artists in the field of music, ballet, opera, folklore and other arts.

BERLIN
CONCERT
Deutsche Oper Berlin Tel: 49-30-3438401
Galina Gorchakova: accompanied by pianist Larissa Gergieva.

BONN
OPERA
Oper der Stadt Bonn Tel: 49-228-7281
Hänsel und Gretel: by Humperdinck. Conducted by Shuja Oktas and performed by the Oper der Stadt Bonn.

BOSTON
EXHIBITION
Museum of Fine Arts Tel: 1-617-267-9300
Lithography's First Half Century:



Part of 'Girls Taking a Walk in La Gran Via, Madrid' by Catalá Roca, from a Barcelona exhibition of Photography and Society in Franco's Spain

The Age of Goya and Delacroix: in celebration of the 200th anniversary of the invention of lithography by Bavarian actor and playwright Aloys Senefelder, the exhibition examines lithography by artists such as Delacroix and Goya.

CANBERRA
EXHIBITION
National Gallery of Australia Tel: 61-6-240-6411
Roy Lichtenstein: Printworks: exhibition of printworks by the American Pop-artist Roy Lichtenstein.

COLOGNE
CONCERT
Lichtentel Tel: 49-221-2218240
Serenade: by Handel. Conducted by Graeme Jenkins and performed by the Oper Köln.

LOS ANGELES
EXHIBITION
The J. Paul Getty Museum Tel: 1-310-459-7611
19th-Century French Drawings: exhibition of twenty-five drawings by 19th-century French masters from the museum's collection.

MADRID
CONCERT
Fundación Juan March Tel: 34-1-4354240
Rafael Ojea, José Antonio Camposeo and Alvaro P. Carrizo: the pianist, violinist and cellist perform Beethoven's Trio in D minor and Allegretto in B flat major.

MILAN
CONCERT
Teatro alla Scala di Milano Tel: 39-2-7203744
Murray Perahia: the pianist performs works by Scarlatti, J.S. Bach, Handel, R. Schumann and Mendelssohn.

MOSCOW
EXHIBITION
State Pushkin Museum Tel: 7-095-2058774
The Treasure of Troy: exhibition of some 250 gold and silver objects, excavated by the German archaeologist Heinrich Schliemann in Turkey in 1873.

MUNICH
CONCERT
Philharmonie im Gasteig Tel: 49-89-4808825
Münchner Philharmoniker: with conductor Sergiu Celibidache and pianist Dan Grigore perform works by Schubert, Beethoven and Mozart.

HAMBURG
CONCERT
Musiktheater Hamburg Tel: 49-40-346920
Murray Perahia: the pianist performs works by Scarlatti, Handel, Mendelssohn, J.S. Bach and R. Schumann.

LONDON
EXHIBITION
Tate Gallery Tel: 44-171-9878000
Still But Not Silent: this exhibition brings together still life paintings and sculptures from the Tate Gallery's collection by both British and foreign artists.

HAUS DER KUNST Tel: 49-89-211270
Luis Corinth 1858-1925: Retrospektive: retrospective exhibition devoted to Luis Corinth, one of the leaders of German Impressionism.

OPERA
Nationaltheater Tel: 49-89-21851920
La Bohème: by Puccini. Conducted by Mark Elder and performed by the Bayerische Staatsoper.

NEW YORK
AUCTION
Sothebys Tel: 1-212-606-7000
Important Works of Art and Jewelry from the Collection of Lillian Nassau, Ltd.

CONCERT
Avery Fisher Hall Tel: 1-212-875-5030
Brooklyn Philharmonic: with conductor Dennis Russell Davies and the NY Choral Society perform Beethoven's Symphony No.9.

EXHIBITION
The Jewish Museum Tel: 1-212-423-3200
Marc Chagall 1907-1917: this exhibition of paintings, gouaches and drawings provides an overview of Marc Chagall's early career.

LOS ANGELES
CONCERT
J. Paul Getty Museum Tel: 1-310-459-7611
19th-Century French Drawings: exhibition of twenty-five drawings by 19th-century French masters.

MADRID
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Fundación Juan March Tel: 34-1-4354240
Rafael Ojea, José Antonio Camposeo and Alvaro P. Carrizo: the pianist, violinist and cellist perform Beethoven's Trio in D minor.

PARIS
EXHIBITION
Centre Georges Pompidou Tel: 33-1-44 78 12 33
Picabia 1922: this exhibition is a reconstruction of the exhibition organized by Francis Picabia.

ROME
CONCERT
Accademia Nazionale di Santa Cecilia Tel: 39-6-3611064
Orchestra dell'Accademia di Santa Cecilia: with conductor Michael Sacher.

ZURICH
AUCTION
Sothebys Zürich Tel: 41-1-2020011
Porcelain and Furniture: auction taking place in Hotel Baur au Lac in Zurich.

MUNICH
CONCERT
Philharmonie im Gasteig Tel: 49-89-4808825
Münchner Philharmoniker: with conductor Sergiu Celibidache and pianist Dan Grigore perform works by Schubert, Beethoven and Mozart.

SAN FRANCISCO
EXHIBITION
SOMOMA - Museum of Modern Art Tel: 1-415-357-4000
Toward Abstraction: The Art of Paul Klee: from figurative works to landscape, this exhibition illustrates the artist's representation with abstract art.

MOSCOW
EXHIBITION
State Pushkin Museum Tel: 7-095-2058774
The Treasure of Troy: exhibition of some 250 gold and silver objects.

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THE HAGUE
EXHIBITION
Mauritshuis Tel: 31-70-3023456
Johannes Vermeer: the first presentation ever devoted solely to the art of the Dutch painter Johannes Vermeer (1632-1675).

TOKYO
CONCERT
Sunrory Hall Tel: 81-3-35751001
Tokyo Philharmonic Orchestra: with conductor Fabio Luisi perform excerpts from Madama Butterfly.

VIENNA
CONCERT
Konzerthaus Tel: 43-1-7121211
ORF-Symphonicorchester: with conductor Peter Eötvös perform works by Kurtág, Bartók and Brahms.

CONCERT
Avery Fisher Hall Tel: 1-212-875-5030
Brooklyn Philharmonic: with conductor Dennis Russell Davies and the NY Choral Society perform Beethoven's Symphony No.9.

EXHIBITION
Kunsthistorisches Museum Tel: 43-1-5222644
Drawing in Austria 1908 to 1938. From Schiele to Wotruba: exhibition of some 130 works on paper by 58 Austrian artists.

OPERA
Wiener Staatsoper Tel: 43-1-514442960
Jerusalem: by Verdi. Conducted by Zubin Mehta and performed by the Wiener Staatsoper.

OXFORD
EXHIBITION
Museum of Modern Art Tel: 44-1865-722733
Carl Andre Sculptor 1996: the first large retrospective exhibition of Andre's sculpture to be seen in Britain.

WASHINGTON
EXHIBITION
National Gallery of Art Tel: 1-202-7374215
Jan Steen: Painter and Storyteller: this exhibition of approximately forty-five paintings by Jan Steen examines the range of subjects and styles in this Dutch artist's body of work.

PARIS
EXHIBITION
Centre Georges Pompidou Tel: 33-1-44 78 12 33
Picabia 1922: this exhibition is a reconstruction of the exhibition organized by Francis Picabia.

PARIS
EXHIBITION
Musée du Petit Palais Tel: 33-1 42 65 12 73
Albrecht Dürer. Oeuvre gravé: exhibition of woodcuts and engravings by Albrecht Dürer (1471-1528).

PARIS
FESTIVAL
Festival de Musique Française - Musique en Sorbonne Tel: 33-1 42 62 71 71
Festival de Musique en Sorbonne: annual classical music festival taking place at the Sorbonne University.

ZURICH
AUCTION
Sothebys Zürich Tel: 41-1-2020011
Porcelain and Furniture: auction taking place in Hotel Baur au Lac in Zurich.

CONCERT
Opernhaus Zürich Tel: 41-1-268 6666
Orchester der Oper Zürich: with conductor Paul Sacher and violinist Anna Sophie Mutter perform works by Mozart.

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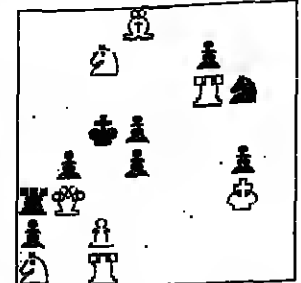
CHESS

Seville's Dos Hermanas tournament which ends tonight has nine of the world's top 10 grandmasters, with an average rating of 2,718 and lacking only Karpov, whose title match against Kasparov starts next week.

Whether Seville will reach the historic eminence of legendary past events such as St Petersburg 1914 or Avro 1938 remains to be seen. The old-style tournaments were double-rounders fielding several world champions, while Seville is brief and its only world title holder is Kasparov.

Not that Kasparov has found it easy: with two rounds left he was only fourth after this escape from a dubious opening (Anand v Kasparov, Sicilian Defence).

gxf5 12 exf5 e4 13 Nxe4 Nxe4 14 Qxe4 Qe7 15 Qd3 Bg7 16 Bd2 After 16 Bb6 Qd 17 Qxh6 Qxh6 with three pawns for the knight Black cannot



develop his Qside, and Re8 18 Bc4 Bb8 fails to 20 Rg5+ 0-0 17 g5 h5xg6 18 Kg5 Qe5 19 Bb5 20 Qg3 Rfc2 21 Be3 Nb4? A flashy way to draw by perpetual check, but not best. Qxg3 22 h5xg3 Bf5? allows White to mate on the h-file, but 22...Nb4! 23 Qg7 Nxc2+ 24 Kb1 Nxc3+ 25 hxc3 Kxg7? regains the lost pawns with the better ending. 23 Bxex5 Rxc2+ 23 Bb1 Re2+ 24 Ka1 Ne2+ 25 Kd1 Na3+ Drawn. No. 1,129

White mates in two moves, against any defence (by K. Hannemann). Black's king is move-bound, yet this problem caught out more than half the 1992 UK Solving Championship finalists. Solution, Page 11

LEONARD BARDEN

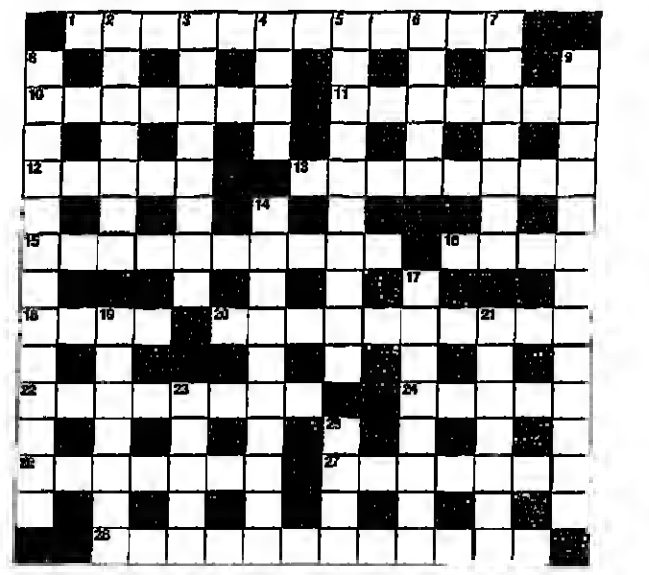
The supermarket is not safe for the bridge writer. I am assaulted all too often, and I tread the aisles in fear for my faceless assailants carry my trials on the backs of their shopping lists, lying in wait at the check-outs. This is what lay in store for me last week.

W E
A 10 5
9 8 5 4
8 5 3
R 10 3
K 10 6 3
Q 6
A J 3
J K 9 7 6 2
E J J
Q 6 5

West opened 1H and East raised to 2E. South overcalled 3S and North closed the auction with 4S. West led 6. East won with A. West switched to 4. Apparently, declarer had lost J to Q. Q. J by playing for a 2-3 split; and finally two clubs.

CROSSWORD

No. 9,083 Set by CINEPHILE
A prize of a classic Pelikan Souvenir 60 fountain pen for the first correct solution opened and five runner-up prizes of 35 Pelikan vouchers.

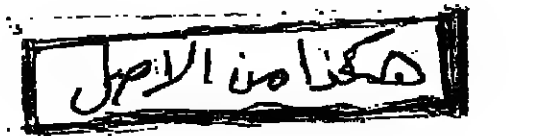


Across
1 I do business and manage with care and the perfect partner (5,7)
10 Preserved, not draught (7)
11 Brother Julius is a little gross about a cry of pain (7)
12 Lamb's prophet (5,4)
13 Gailma gets gin cocktail in rotation (4,4)
14 The Heavenly W. Opie's work is cinematic (10)
15 Trendy accountant from South America (4)
16 Get on with the establishment of old (4)
20 It isn't established: it costs nothing to take companions round the old city (4,6)
22 The final solution (1,4)
24 West to be declared? Can't decide (5)
26 Harried back at speed to tell the tale (7)
27 Stand by the fire and press (7)
28 Shepherdess makes it to the band returning among other people (6,3-1)

Down
3 Removes the end from the nit-tyrity? (7)
4 Silver going missing - one article - causes innate dumbness (8)
4 Don't let anyone see the leather (5,4)
5 Put a name to an author expert at character-drawing (4,5)
6 Deck with sailors after a party? (5)
7 Princess takes new tonic, in a manner of speaking (7)
8 Preoccupation implying inhumanity or... (1,2,2,2)
9 ...sheepskin coat at assembly (4,9)
14 A Welsh peer in difficulties replacing a flat (5,2)
17 Appeared exposed: (5,2)
19 Sedative taken by student in the course of Beethoven's ninth (7)
21 Back the sapper's line (7)
23 Rough copy of concepts: (5)
25 Costume that raises a boast (4)

Solution 9,082
Solution 9,072

WINNERS 9,072: Mrs B.J. Rowland, Broadstairs; Mrs R.G. Russell, Stonehaven, Kincardineshire; Alex Agius-Cesareo, Rivydach, Robert A.M. Leitch, Glasgow; John Harborslo, Kinsedown, Wiltshire; K.M. George, Shirley, Croydon





James Morgan

Stolen handbag upstages the king

Is the IMF a force for republicanism? Bulgaria's ex-King Simeon could be forgiven for thinking so

I expect you, like me, have been fascinated by the series on Europe's monarchies which has been appearing on this page. By definition, the non-monarchies are excluded but they could provide a worthy sequel.

So it is worth studying the return of ex-King Simeon last weekend for a lengthy visit to his homeland, Bulgaria. After reading about the Netherlands and Belgium, Sweden and Spain, one can only view European monarchies as a wholly positive force. It is right that Bulgaria should join some of the most civilised states in the new Europe.

But not all Bulgarians agree. *Duma*, the leftist daily, trailed Simeon's arrival thus: "Three lost wars with about a million victims,

two national catastrophes, a coup drowned in blood and dozens of hundreds executed... this is what Bulgaria got from the 60-year rule of a dynasty in whose veins there was not one drop of Bulgarian blood."

As luck would have it, Simeon and his Spanish consort, Margarita, arrived in Sofia in the middle of an economic maelstrom. A collapsed currency, the main interest rate at 106 per cent, long queues outside bakeries.

The papers greeted the royal arrivals with headlines like "A circus without bread". And so the media were dominated not by Simeon, but by Anne McGuirk who arrived a couple of weeks before Simeon to lead the International

Monetary Fund mission to Bulgaria. The official news management was such that every time it seemed that Simeon was going to attract favourable public attention, up popped McGuirk. Thus her promise of loans "in principle" was Monday's main news story when it should have been Simeon's tour of Sofia.

Is the IMF a force for republicanism? One wonders. The announcement of the details of the royal visit on May 13 was not as interesting as the tale of the theft of McGuirk's handbag at a lunch with officials of the central bank at what the papers called "the posh Krim restaurant". The police said a waiter was suspected.

The theft of an IMF handbag is

an unusual event, especially when it occurs right under the noses of central bank staff. McGuirk lost about \$700. Not enough to save off Bulgaria's crisis but *Demokratsiya* writes: "Senior financiers hope the incident will not change Ma McGuirk's intentions" in the end the country was provisionally promised \$400m.

Simeon, meanwhile, had to make speeches about the crisis without seeming to act as an agent of the Fund or in opposition to it. So he spoke of the need for all Bulgarians to pull together.

Demokratsiya said that officials had been told to create "an information blackout and chaos". Thus the ex-King's arrival provided only the 10th item in the national radio

news bulletin. In *Trud*, a leftist paper, a leader of the anti-monarchist socialist party allowed crocodile tears to flood the page: "Hundreds of those who came to welcome the ex-king injured, the bleeding faces of two of our reporters, smashed glasses in the VIP lounge, a child hit by a jeep in front of the Plisha hotel - these are the sad results of the King's welcome party yesterday."

The authorities even mounted a campaign to produce a new national coat of arms, without a crown, by the time the ex-king arrived.

Blagovest Sendov, the speaker of the National Assembly, summed up the failure of the project: "I have said on many occasions that Bul-

garia will soon have a coat of arms, and I was wrong."

Simeon and his consort seem to have behaved with dignity in the face of some provocation (as when his official bodyguard beat up a supporter), even accepting an icon of St George the Victorious and a blouse embroidered in the national colours with good grace.

But the royal cause has not so far been greatly enhanced by the visit. Although many Bulgarians see the ex-king as a saviour, comparing him favourably with the politicians who have brought the country so low, the Fund sat on the throne.

It will be interesting to see if he fares better now it has departed.

James Morgan is BBC World Service economics correspondent

Peter Aspden How to make 'em pay



Somebody with a wicked sense of irony is directing things up there. England is hosting something called Euro 96 at the very time that decent patriots everywhere are fuming with indignation that Europe will not eat our beef.

The BBC, in conciliatory mood, chooses Beethoven's sublime "Ode to Joy" - a hymn of European brotherhood - to advertise its coverage of the football festivities. But the tabloid press turns on the BBC because Beethoven is German. And Germany just happens to be better than England at football as well as sublime music.

The nation, in truculent mood and girding its loins for battle, chooses its greatest ever sports star in a television poll. Among the contenders are a cricketer known, spookily, as Beffy, and a flabby 50-year-old who was so steeped in sporting games that he had to turn to that great British hobby, becoming someone through drink, in order to cope with his sybaritic life. They both lose to a strapping decathlete who liked to celebrate victory by parading offensive T-shirts to the media.

Meanwhile, cows graze innocently in the fields, bedecked with advertising billboards, in the kind of audacious mid-career change that busy executives dream about long and hard.

The robust interchanges that characterise British political life

They can run rings around our footballers, but can they resist the chance to see their own masterpieces?

have given way to a mild surrealism as bull semen, murderous Land Rover drivers and formula baby milk swap places on the front pages. And what of Europe and its morally flaccid inhabitants? What are they up to?

They are all in London, of course. I popped into the National Gallery at the weekend to get away from all the madness, only to find it swarming uncomfortably with Europeans. The ludicrous fellow in uniform was counting them all in. He informed me neutrally that the gallery received up to 10,000 visitors a day, and most of them were "foreign".

Most annoying of all, I reminded him, they all entered for free. So, allowing for even a modest entrance fee, perhaps £50,000 a day is lost to the Exchequer so that Europeans and others can have a slightly cheaper holiday looking at our art (which, of course, is largely their art, but Britain has it now and is superb at looking after it).

You do not have to be bovine to find it exasperating.

So I worked out a plan which might just win John Major a vote or two, pay for a new lick of paint for a few national monuments and tell the ludicrous fellow in uniform to go shortly before they walk away with the competition which England is so generously hosting.

It is quite simple: during the course of Euro 96, institute a sliding scale of charges for admission to the National Gallery. British people, naturally, could get in for nothing.

Then, taking the rest of the world in turn, modest charges of all would be paid by Pacific Rimers (an economic miracle supplement), then Americans (dominant world culture supplement) and then finally Europeans. And this is where it becomes interesting.

I would charge all EU citizens a sum proportional to the number of works of art their country has in the gallery - the more works, the higher the fee. This would hit the Italians quite hard, but they have a good chance of winning Euro 96 so would probably not mind.

The French would suffer too, and the Spanish, but since when did we worry unduly about that? The Danes and the Irish would not complain too much. But Denmark have few chances of progressing to the final, and Ireland didn't even qualify.

The delicious point of all this is to hit Europeans where it hurts - their culture. They can turn down our beef, run rings around our footballers, but can they resist the chance to see their own masterpieces? Trapped by their own vanity and sense of aesthetic superiority. What could be more apt?

And I also have a word for the BBC and that troublesome theme tune. How about something wholly British, coming from that dizzy period in the 1960s when we really were rather special? It must take us back, yet propel us forward. It has to give out the right message. It needs to sum up everything we feel about ourselves. How about that nice Beatles tune - "Help!"

Royalty

Just a job - but like no other

Christian Tyler explains why Norwegians love their king

Two weeks ago, as every year on National Day, half of Norway was on the march. With brass bands blaring and schoolchildren in folk costume skipping beside them, thousands of people paraded up Oslo's central avenue to the Slottet palace to sing the national anthem and wave to the royal family on the balcony.

Norwegians seem as possessively fond of King Harald V, as they were of his father Olav, the man who used to boast that he was protected by "four million security guards".

Yet, as in the other European monarchies, the royal succession can be a trying time. "Many people thought there would be a change of attitude," said one of Harald's former private secretaries who was surprised by the enthusiasm which greeted Harald's accession in January 1991. "There was a tremendous response. The monarchy proved much stronger than you would expect in a secular, republican country."

Harald, 59, is only the third king Norway has been able to call its own since 1319. Perhaps for this reason the country clings to its monarch as the symbol of full independence achieved only in 1905 when it forced the dissolution of the union with Sweden. He is a reminder, too, of his grandfather's brave - if hopeless - resistance to German occupation during the second world war. King Haakon VII had rallied an unprepared and defeatist government before being forced to escape with his son, Olav, and his ministers to London, where he continued to encourage his countrymen with broadcasts over the BBC. Young Harald, his mother and two sisters, took ship to the US and sheltered in the White House.

"The institution is a paradox and an anachronism," agreed Kjell Arne Tolland, former academic, student of insignia and "royal reporter" of the gossip magazine, *See and Hear*. "But it still has a function. I look on it as a symbol of the unity of the nation, its personification. Hereditarily represents a continuity that a president could never have."

By their own admission, Norwegians - especially outside Oslo - are a conservative nation, while claiming to be more classless even than their Swedish neighbours. Small-country nationalism may account for their enthusiasm for the Eurovision song contest which they hosted last month having won the trophy last year. It may also explain their sensitivity to foreign opinion, not to mention their referendum decision in 1994 to stay out of the European Union.

Conservatism may account for the fact that the Norwegian king remains, like the British queen, "defender of the faith", in his case the Lutheran state religion, and



King Harald V: only the third king Norway has been able to call its own

why until 1990 women were not eligible to succeed to the throne.

The monarch has been allowed to retain powers to delay legislation by veto (a power never used) and to form governments. The latter has been democratically exercised. When the socialists, who two years before had been members of the Comintern, emerged from the 1993 general election with the biggest vote, Haakon surprised everyone by asking their leader to form a government. "I am also king of the communists," he is supposed to have said.

Communists or commoners. It does not matter. The fact that Harald's queen, Sonja, (confusingly born Haraldsdottir) is not of blue blood but the daughter of a textile merchant has been a good influence by helping the king to mix with ordi-

nary people, according to Fridtjof Frank Gundersen, an MP of the small, right-wing Progress party.

Harald has impressed others with his everyday knowledge. "When I first met him I was amazed by his knowledge of agriculture," said Edvard Grimstad, deputy speaker of the Norwegian parliament and a farmer himself. "What impresses me is his personal involvement. Other people say the same."

The king shows his common touch in other ways. Recently, for example, he invited to the palace a member of a quack organisation called the Loser's Club which cares for people who have missed their education or fallen through the social net. The club was started by a successful sports reporter who lost his job for giving the wrong result of a football match because

he felt sorry for the losing team.

The royal train is little more than one coach and a kitchenette, and was a "gift" of the state railways; the royal yacht, which is substantial, was a gift of the people. The royal family flies on commercial airlines and the children, Crown Prince Haakon, 29, and his elder sister Princess Märtha Louise, 24, are able to go shopping in Oslo with only a couple of bodyguards.

Republicans have made threatening noises in the past but are silent today as in every other European monarchy. Deputy Speaker Grimstad said: "Every four years the socialists propose a republic. But it's a sort of ceremony."

The upshot is that an inquisitive press is careful not to intrude unduly - so far, at least. "The main reason we are not nasty to our roy-

als is that there is nothing to be nasty about," said Tolland. Even if there were something to hide, Norwegians did not want to hear ill of them, according to a reporter on another paper. "People here don't tell the papers if they see members of the family, or try to sell pictures of them. And we don't want to hide in the bushes, either."

So Haakon was allowed to go off for weekends with his former girlfriend, an "upper-class" model, without being chased. And his sister's affair, with an Olympic surfer-boarder, with an English showjumper (which led to Märtha Louise being cited in a divorce case) and latterly with a Dutch night porter and stable boy, caused little stir.

What did cause a stir, was when Märtha Louise, while studying in the Netherlands, went for a bicycle

ride with a friend and without an escort, and was snapped by a Dutch photographer. Furious, she gave him the finger. But it was more the photographer's intrusion than the princess's rude gesture which scandalised Norwegian readers when the picture was reproduced in *See and Hear*. Britain's Princess Royal would have sympathised.

Like royal-watchers in other constitutional monarchies, the Norwegian press argues that the fact of hereditary succession justifies its interest. And, like their own counterparts elsewhere, the young Norwegian royals seem to be feeling the heat. Last week, at the end of a press conference to announce the royal children's plans to study abroad, Prince Haakon made an ad hoc speech berating the press for its surveillance. What one side sees as well-intentioned interest - and positive publicity - the other feels to be a suffocating burden.

"If the Press make their life unbearable, sooner or later they will destroy any relationships formed by the young people in the family," said Carl-Erik Grimstad, a former palace official. He noted that journalists had held their fire during Harald and Sonja's courtship before their marriage in 1968. But the truce was now over, he said, and the media had become too competitive to accept another.

Grimstad has not escaped the charge of intrusion himself. In some eyes he broke a taboo by writing a book drawing on his own experience as Sonja's private secretary and later as deputy private secretary to the king. Called *Behind the Facade* and subtitled "The history of the royal way of being", Grimstad claims his book is a work of political science, not a fly-on-the-wall exposé.

His prognosis for European kings and queens is that they will have to earn their keep by means of what Max Weber called "charisma and culture".

In early days they enjoyed more or less absolute power. In the first half of the present century they were symbolic military leaders. In the second half they have become figureheads for industry - export salesmen.

"In the next millennium the royal product will have to be cultural, a spiritual force, the guide to moral values which the churches are not any longer. That is what people are nostalgic for."

But will the heirs want to take it on? Last weekend it was reported in Britain that young Prince William, son of Charles and Diana, had told his parents he never wants to be king. He wants "a normal life".

If Grimstad is right, all European heirs have their work cut out. For whatever the "royal product" means, their dilemma is the same. They have to be in touch with their people, but not too close. They have to be distant, but not aloof. They may be ordinary, but they can never lead a normal life. It is not that kind of job.

This is the last of the Royalty series

Fruitless in Los Angeles

Christopher Parkes experiences life as an expatriate gardener

The critters, our neighbour warned, would soon polish off our little vegetable patch. She failed only to mention how soon. Two dozen bell pepper plants - purple, green, yellow, orange and red - failed to survive the night. Bitter Japanese cucumbers succumbed, traceless, to the ravages of nocturnal raiders. Radishes vanished.

Curiously, only our indian corn and a sluggish cluster of serrano chilies - 15 on a scale of one to 10 in boldness - stand as a testament to our husbandry.

It is one of our itinerant family's traditions that we stamp our identity on our foreign lodgings with garden work. It is a tradition which may not survive southern Calif. ornate, where the phrase "late bloomers" has taken on a new meaning.

This expatriate's annuals, planted a month ago, include ex-

petunias and sunburnt snapdragons. Even the geraniums are giving up the ghost. Only the impatiens and the children's neglected potted lobelias are doing well in a child-made microclimate which swings wildly between drought and dousings from the garden hose.

Our failing, it appears, is a lack of "Gardener's Ear". Sure, we should have listened to our neighbour. But we should also have heeded the endless scuttling, scabblings, squeaking and merry munchings from the undergrowth. We might have learnt from the splashing on the two occasions the raccoons depopulated the goldfish tub.

The fish were our attempt to provide quarantine-free pets for the children. They now have to make do with the critters.

The snail in the kitchen and the cicadas which have moved in behind the living room sofa are the least of it.

We have rats in the garden: big, black items with Disneyesque ears, and Hammer Films tails. We have gophers. God alone knows what they eat, but it must be buried deep to judge by the showers of grit and dust. Gopher snakes swish about, falling to live up to their name, apparently preferring mice.

At the cuddly end of the pest scale there are cottontail rabbits which sniff at our gifts of lettuce and prefer grazing on the ubiquitous groundcover ivy.

Possums, we think, spend balmy evenings up the eucalyptus and ficus trees peeling off the bark like cracking and snapping on the bugs beneath. They also enjoy snuffling around in the house.

Squirrels commut along the overhead telephone and power cables to feast on fir cones and the seeds and blossoms of the jacaranda trees. Humming birds probe fruitlessly at the red rose on our

watering can. Blue jays raid the bird table. Picky quail peck through in troups. Deer eat the floribundas.

There is more than enough of everything to go round. Sun and sprinkler systems foster an ever-green environment in which our critters dine off a menu of astounding abundance.

Now, in California's early summer, we look over the wreckage of our backyard Europeanisation programme, and it comes as a comfort to realise that our furry neighbours have done us a favour. There are no fussy dots of colour to distract eyes drawn by swaths of crimson bon-gainfulness, gleanders in pink and white, coral trees and jacarandas of heavenly blue.

Our corn and chilies should be fruiting soon. The children still believe they will be grilling cobs and making salsa for daddy. But daddy knows better.



مكتبة الامير

WEEKEND INVESTOR

Results due next week

Table with columns: Company, Sector, Announcement date, Last year interim, Dividend (pence), This year interim. Lists companies like Jif Group, Alford Colliery Group, etc.

Directors' share transactions in their own companies

Table with columns: Company, Sector, Shares, Value (£000), No of directors. Lists transactions for companies like SALLS, Middles-Glenfer, etc.

In the Pink

Inflation - what would it take to bring it back to life?

Stephen Lewis sees signs of rebellion against tough anti-inflationary policies. He says it could return if the central banks lose their resolve

When trade unions the world over negotiate with employers nowadays, they are just as likely to be talking about job security as pay rises. In the UK, the official regulators of privatised utilities press regularly for reduced charges for consumers.

All this would have been unthinkable 20 years ago. Then, the key questions were how fast wages, prices and charges would increase. Now inflation is a much less significant consideration in the decisions which businessmen and consumers make.

But is that true? After the turmoil of the 1970s, it would seem a miracle if it were. Although, clearly, there have been global economic and social forces at work over the past decade that could have been effective in breaking the inflation psychology once for all.

Meanwhile, deregulation and liberalisation of capital flows have made the developing countries, with their low labour costs, attractive places to which manufacturing companies can relocate.

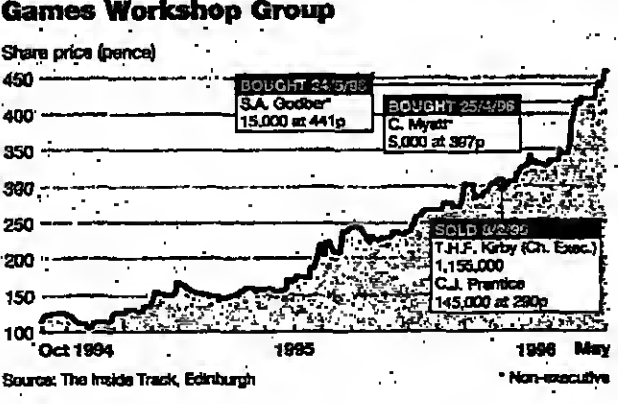
Dividends are shown net of tax. Pence per share and are adjusted for any intervening splits. Repurchases and buybacks are normally made on a weekly basis after the board meeting to approve preliminary results.

Last week's preliminary results

Table with columns: Company, Sector, Year, Profit (£000), Earnings per share (p), Dividend per share (p). Lists companies like Anglo Water, Biffaward, etc.

Directors' dealings

There was more buying at Games Workshop Group, which makes toys and war games, writes Vivien MacDonold of The Inside Track.



New issues

Offers for sale, placings, & introductions

Balfour Beatty is to raise £10m via a placing. City Technology Holdings will be raised at about £20m via a placing.

Dairy Crest this week unveiled plans to float a 25 per cent stake this summer in a move likely to value the UK's third-largest milk processor at around £200m.

The 27,000 dairy farmers who own the company will be allocated the remaining equity or offered a cash alternative.

The announcement came as the company announced a 69 per cent rise in pre-tax profits, to £37.4m, in the year to March 31.

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Last week's interim results

Table with columns: Company, Sector, Half year, Profit (£000), Interim dividend per share (p). Lists companies like AER Leisure, Albion Paper, etc.

Bids

Who said water and electricity don't mix? Investors in Britain's electricity and water sectors found them once again the battle ground for predators this week, writes Simon Holberton.

Scottish Power did not raise its offer. It says it has plenty of time, and indeed it has.

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Weekend Investor

Wall Street

Home buyers turn logic on its head

Mortgage rates are going up - but so are house sales, reports Maggie Urry

Why are Americans buying houses? Or, rather, why was the market taken by surprise this week when two sets of figures showed home sales were continuing to rise in spite of the upturn in mortgage rates?

To a simple economist, a rise in the price of something should cause a fall in demand. Mortgage rates, which in the US track long-dated bond yields, have risen from 7 to 8 per cent since the start of the year. Many had expected that the rising price of a home loan would damp demand for houses.

Not a bit of it. On Tuesday, the National Association of Realtors reported that sales of existing houses in April were running at an annual rate of 4.22m. That is the highest level since December 1993 and is up nearly 13.5 per cent from the rate in January this year. The figures are seasonally adjusted, so they make allowances for the no-one-buys-a-house-in-January effect.

Thursday brought news from the government that sales of newly built houses also were buoyant in April, and running at an annual rate of 776,000. The monthly sales rate has exceeded 700,000 for four months in a row, the first time that has happened since the end of 1993. As well as the strong April number, the figures for February and March were revised upwards.

"Housing indicators continue to surprise on the upside," said the economists at Deutsche Morgan Grenfell (D.M.G.). Lawrence in their snap assessment of the figures. According to Marilyn Schaja, economist at Donaldson Lufkin & Jenrette, the number was "extremely significant, as it indicates prevailing high mortgage interest rates are not yet damaging this most interest rate sensitive sector of the economy."

The bond market, in particular, disliked the news, but that spilled over into falling share prices, too. After all, rising interest rates were supposed to choke off demand and slow down the economy. The latter the economy grows, the less happy is the bond market. To bond investors, growth means inflation - and that leads to yet higher interest rates and lower bond prices.

So, rising house sales are bad news for the markets. It is made worse by people having the annoying habit of following up a house purchase by shopping for refrigerators, carpets and the like. More spending, more economic growth.

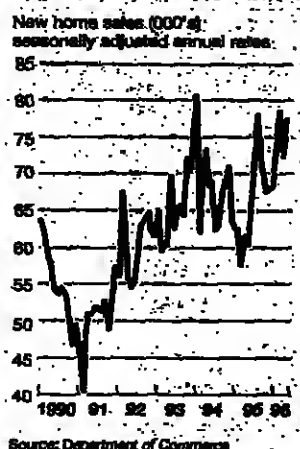
The problem is that real people do not always behave as the economists expect. If the economy is doing well, people are probably feeling better off and more confident about buying a house. Those who have used money with their mutual fund investments in the past 18 months may feel wealthier, encouraging them to move to a larger house. It is, perhaps, significant that the value of Americans' stock market investments now exceeds the equity they have in housing.

As Allen Sinal, economist at Lehman Brothers, puts it: "Good demand-side fundamentals are bringing about the solid performance for housing and home-building in a period of higher interest rates."

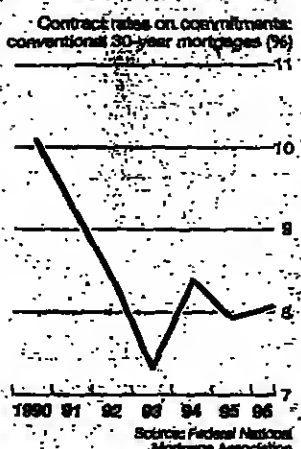
All right, people might say, so mortgage rates have risen a bit. But, at 8 per cent, they are not as high as they were a few years ago. And if rates are rising, it might be a good idea to take on a fixed rate mortgage sooner rather than later. So, Sinal expects the momentum of house buying to continue unless (or until) a rather sharper rise in interest rates is seen.

He adds: "Not until a substantial tightening of monetary policy occurs, or there is a significant restraint in lending, can a sharp decline be expected in home buying and building activities." That could happen in 1997, he believes.

Surprises all round for housing market



Source: Department of Commerce



Source: Federal National Mortgage Association

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London

Buy now while stocks last

Philip Coggan sees thirsty bidders lap up liquid assets

Pew, water scorcher! Not only did summer finally arrive in London this week but the UK stock market got a lift at a difficult time from a brace of bids for Southern Water.

Britons are famous for ripping off their clothes and sitting outside as soon as there is a break in the clouds. And investors were suitably losing their cool at the prospect of the remaining independent water companies being lapped up by bidders. As the graph shows, during the week the water sector recovered all of this year's underperformance relative to the FT-A All-Share Index.

There is a real feel of "buy now while stocks last" in the utilities sector as investors (and corporate managements) contemplate the prospect of a Labour government. A Tony Blair administration could restrict takeovers in the sector and might also take away the utilities' spare cash by means of a windfall tax.

Collectors of utilities' bids now have the hill set. They have seen electricity generators bidding for distributors, water companies bidding for each other, and water companies buying electricity groups. Finally, they have two electricity groups bidding for a water stock.

The rival offers, from Scottish Power and Southern Electric, both involve a combination of cash and paper and the winning bid could give a modest boost to the overall market, assuming it passes the regulatory hurdles.

But yesterday's much-expected merger between Lucas and Varty, an all-share deal, did little beyond helping the share price of the automotive components group, which predicted substantial cost savings and which should see its shares return to the FT-SE 100 index as a result.

Unlike those in early 1996, recent takeovers have tended to be based more on paper than on cash. In any case, institutions appear to be building up their cash holdings and not reinvesting such monies they have received from bids.

A recent Merrill Lynch survey found that most fund managers were planning to reduce their exposure to UK equities. This caution appears to be what is keeping the FT-SE 100 index in a narrow 3,650 to 3,850 range.

The underlying weakness of the market was shown on Thursday when, with no further bid news to act as a spur, Footsie gave in to the pressure of a weaker Wall Street and fell 29 points.

Given that the UK market, at least in terms of Footsie stocks, has underperformed its peers this year, one might assume that London should be relatively immune to Wall Street's declines. The problem is that any sign that US interest rates might be about to rise threatens the whole basis of the 1995-96 bull market.

Falling interest rates have provided the fuel for the bull

market, but it is arguable that the next move in US, UK and Japanese rates will be up (although the turn might not occur until 1997) and the trough in German and other European rates might not be too far away.

While growing corporate earnings can give shares some support, any rise in world interest rates makes it hard for equities to make progress, as investors discovered in 1994.

Most analysts seem to expect the UK market to continue to trade sideways during the summer but Paul Walton, UK strategist at Goldman Sachs, warns of a number of risks that might hit share prices: a communist victory in the Russian elections, a spike in commodity prices, evidence of robust economic growth or aggressive Republican plans to cut US taxes.

"We wouldn't be surprised to see equity prices round the world fall by 5-10 per cent at some point," he says. Another factor which has been making life difficult for equities is political risk. This is proving more complex than most had thought. As previously mentioned in this column, there is a school that argues that Labour could be good for gilts, on the ground that it is more likely than the Conservatives to sign up for European monetary union.

The same argument is now being applied to sterling, which reached a 15-month high against the D-Mark yesterday. The pound finally is catching up with the progress made by some of the other normally weak European currencies, such as the lira and the peseta, which had previously gained from Euro hopes.

Equities, however, are more problematic. Investors' concerns are focused on a host of micro-economic measures, such as the minimum wage and adoption of the social contract, and the prospect that Labour is far more likely to raise revenues from the corporate than the personal sector. Such worries may be behind the caution of the investment institutions.

Having said all that, however, the sluggish performance of Footsie this year might not reflect the experience of most investors. By Thursday night, the leading index had risen just 1.5 per cent since end-1995, but the Mid-250, packed with cyclical and bid candidates, was up 11.9 per cent and the All-Share 4.5 per cent.

This outperformance by smaller companies could also reflect expectations of a consumer-led recovery, on the basis of recent tax and interest rate cuts. Smaller companies are normally more biased towards the UK economy.

According to Adam Cole, UK economist at James Capel, yesterday's "April consumer credit data are further evidence that we [the UK] are on the verge of a veritable boom in consumer spending. Having been listed as hopelessly optimistic last November, the chancellor's forecast of 3% per cent consumer spending growth this year looks increasingly plausible."

The prospect certainly seems to be priced into shares. The leisure, brewery and retailing sectors all are trading on higher price-earnings ratios than the market.

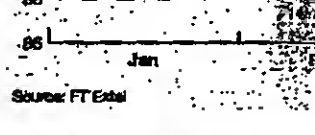


Time to cool off after the water bids

Trust Harpries

Water flows uphill

Water sector relative to the FT-SE-A All-Share Index



Source: FT Estimates

Highlights of the week

| Price | Change | High | Low | Notes | |
|---------------------|--------|-------|--------|--------|----------------------------------|
| FT-SE 100 | 3747.8 | -3 | 3857.1 | 3262.7 | Side-slip settlement |
| FT-SE Mid 250 | 4910.0 | +20.0 | 4688.8 | 3589.7 | Tracking the leaders |
| Abacus Paper | 187 | -7 | 211 | 188 | Profit warning |
| Bess | 814% | +15% | 822 | 580 | Positive sentiment after results |
| Brit. Gas | 190% | +19 | 217 | 171% | S&P Warburg recommendation |
| Eurotunnel | 84 | +9 | 201 | 82 | Debt move hopes |
| Intelligence | 309 | +17 | 380% | 200 | Strike 1% |
| Kalamazoo Computers | 143 | +33 | 143 | 80 | US acquisition |
| Lucas Inds. | 246 | +10 | 246 | 172 | Merger with Varty |
| Moss Bros. | 1080 | +55 | 1080 | 452 | Positive spin statement |
| Severn Trent | 604 | +61% | 608 | 528 | PowerGen bid rumour |
| Southern ELEC. | 714 | -36 | 810 | 571 | In bid war |
| Southern Water | 979% | +230% | 988 | 528 | Sid |
| Unilever | 1200 | -28 | 1371 | 1172% | Claims by competitors |
| Vendome | 694 | -20 | 854 | 472 | Speculation over future |



Barry Riley

Comeback of the consumer

The economic pendulum has swung - but where will it stop?

How the economic pendulum swings. It is only 18 months since I wrote about the dramatically different experiences of the UK's "two economies". Industrial production in the previous year, 1994, had been rising at about 5 per cent while, on the other hand, real personal disposable income had been growing at less than 1 per cent.

The rare prospect could be savoured of a sound UK economic upturn led by exports and investment. But not for long. Now, it is manufacturing that has dived into near-recession, with output dropping back from a high point reached in the third quarter of last year. But the services sector continues to grow steadily, at almost 3 per cent a year, fuelled by similar growth in real personal disposable income.

We have seen this reversal of fortunes reflected in the stock market where, last year, the indices were being led up by the big blue chips. These include the big manufacturers and exporters. In 1996, however, the Footsie index of the 100 biggest UK stocks has gained only about 2 per cent. The real action has been in the medium sized and smaller companies that can be expected to benefit from a vigorous domestic services sector, a recovering house market and a pre-election

consumer boomlet. The FT-SE Small Cap Index is up more like 15 per cent this year, and the Mid 250 is not far behind.

What appeared to be a temporary stock adjustment problem in the manufacturing sector could have developed into something more serious. Poor demand from continental Europe, the UK's biggest export market, has been the most obvious factor with Germany, in particular, sliding into a recession. But it is worth asking if there could be a more sinister problem in UK manufacturing, with companies chasing profits at the expense of volume.

After 1992's exit from the European exchange rate mechanism, export prices were raised quite aggressively. This might be seen as a characteristic of the increasingly profit-hungry UK shareholder economy, which is vulnerable to being squeezed for business during a recession by producers in the continental stakeholder economies who are driven by volume rather than margins.

Rapid economic growth has been essential, but Chancellor Kenneth Clarke needed a big stroke of luck on the export side to hit his overall 3 per cent economic growth target for 1996. Instead, exports have slumped.

All may not be lost, however. Interest rates have been falling steadily on the Continent, and monetary growth there has begun to

accelerate. The D-mark has been falling even faster against the dollar than against sterling - by more than 10 per cent since November. It is, therefore, reasonable to expect a bounce-back soon in the continental economies. This could be just enough to give Clarke a much-needed helping hand.

My own view about the UK economy this year has been that while the 3 per cent Treasury target was never really on for 1996 as a whole, given the winter's slowdown, there could easily be an acceleration through the year. By the final quarter, year-on-year growth might indeed be not far short of 3 per cent.

In fact, some City forecasters are expecting quite a boom to develop in 1997, with growth reaching 3.5 per cent or more. This would reflect a highly stimulative combination of loose fiscal and monetary policies. With the public sector borrowing requirement running at close to £20bn this year, there ought to be talk of tax increases, not cuts. But, of course, they will have to wait until after the election.

As for interest rates, the Bank of England remains cowed by its misfortunes a year ago when it was misled by economic growth estimates that later were revised down sharply. It does not wish to cry wolf again. Nevertheless,

it would not be surprising to see short term interest rates edging upwards by year-end if the Bank has its way.

It would take more than that, however, to force the two economies back into close harmony. They can move apart so long as the markets do not care about the worsening imbalances in trade and public finances. An almost unlimited flow of global liquidity is available to offset the financial links between the different economic sectors. Only when the markets lose confidence do the links snap tight again.

That is when the consumer economy will be reined back. The moment probably is not very close. When economic policy is loosened, as it has been significantly over the past year, there is a benign interval of up to two or three years when the actual and potential consequences for the balance of payments and inflation are treated lightly by the markets. This year, for instance, sterling actually has been strengthening, mainly because looser monetary policies also are being followed on the Continent and in Japan. Moreover, a strong dollar always tends to drag the pound higher.

The pressures are likely to be seen first in gilt-edged rather than equities. Keep watching for the pendulum to swing, but the end is not yet in sight.

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Offshore managed funds and UK managed funds are listed in Section One

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Main table containing unit trust prices for various categories including Bond, Equity, and Money Market funds. Columns include fund name, price, and change.

Guide to pricing of Authorised Unit Trusts. Includes sections on Initial Charge, Restoring Pricing, Buying Price, Selling Price, Treatment of Managers' Penalties, and Exit Charges.

Table of FT Cityline Unit Trust Prices for various funds, including Bond, Equity, and Money Market categories.

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Handwritten signature: 'John Walker'

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Objective Unit Trust Managers Ltd (10000)

Table listing various unit trusts under Objective Unit Trust Managers Ltd, including names, ISIN numbers, and prices.

Redwood Fund Management - Contd.

Table listing various unit trusts under Redwood Fund Management, including names, ISIN numbers, and prices.

Scottish Widows' Fund Management - Contd.

Table listing various unit trusts under Scottish Widows' Fund Management, including names, ISIN numbers, and prices.

United Friendly Unit Trust Managers Ltd (10000)

Table listing various unit trusts under United Friendly Unit Trust Managers Ltd, including names, ISIN numbers, and prices.

Allyson Property Unit Trust

Table listing various unit trusts under Allyson Property Unit Trust, including names, ISIN numbers, and prices.

Black Horse Life Assurance - Contd.

Table listing various life assurance products under Black Horse Life Assurance, including names, ISIN numbers, and prices.

Commercial Unit Trust Group - Contd.

Table listing various unit trusts under Commercial Unit Trust Group, including names, ISIN numbers, and prices.

Equi Life & Pensions Plc (10000)

Table listing various unit trusts under Equi Life & Pensions Plc, including names, ISIN numbers, and prices.

INSURANCES

Table listing various insurance products, including names, ISIN numbers, and prices.

OTHER UK UNIT TRUSTS

Table listing various other UK unit trusts, including names, ISIN numbers, and prices.

PROPERTY UNIT TRUSTS

Table listing various property unit trusts, including names, ISIN numbers, and prices.

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Table of financial data for various fund categories including Life Assurance, Unit Trusts, and Corporate Pensions. Columns include fund names, prices, and performance metrics.

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Table of fund prices and performance metrics, including columns for fund name, price, and change.

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OTHER OFFSHORE FUNDS

OFFSHORE INSURANCES

Table of offshore insurance products and their details.

MANAGED FUNDS NOTES: Detailed information regarding fund management, including performance metrics, fees, and contact information.

WORLD STOCK MARKETS

NORTH AMERICA

UNITED STATES (May 31 / US\$)

Table of US stock market data including S&P 500, Dow Jones, and various sector indices.

EUROPE

EUROPE (May 31 / US\$)

Table of European stock market data for various countries including UK, France, Germany, and Italy.

ASIA

ASIA (May 31 / US\$)

Table of Asian stock market data for various countries including Japan, Hong Kong, and others.

AFRICA

AFRICA (May 31 / US\$)

Table of African stock market data for various countries including South Africa and others.

INDICES

INDICES (May 31 / US\$)

Table of global indices including S&P 500, Nikkei, and others.

Advertisement for Peregrine Global Distribution, featuring a globe and the text 'Peregrine has the world's largest team dedicated to the international distribution of Asian securities.'

Table of US stock market data including S&P 500, Dow Jones, and various sector indices.

Table of European stock market data for various countries including UK, France, Germany, and Italy.

Table of Asian stock market data for various countries including Japan, Hong Kong, and others.

Table of African stock market data for various countries including South Africa and others.

Table of global indices including S&P 500, Nikkei, and others.

Footnote and disclaimer text at the bottom of the page, including 'Open interest figures for previous day' and 'Subject to official recalculation'.

WORLD STOCK MARKETS

AMERICA

Leaders fall as 30-year yield tops 7%

Wall Street

Leading US stocks tumbled in mid-session trading as the yield on the benchmark 30-year Treasury bond climbed above the 7 per cent level, writes Lisa Branstetter in New York. Technology shares, in contrast, moved higher following a strong performance from some industry leaders.

EUROPE

Domestic investors focus on M-Dax in May

Another panic attack for US investors, the Dow and the dollar made its impact on late-session trading, FRANKFURT ending with the Dax index 11.97 lower at 2,523.81 after a session close of 2,542.80.

THE WEEK'S CHANGES

Table showing percentage changes for various European indices: Helsinki (+1.8), Amsterdam (+1), Milan (+0.9), Paris (+0.8), Frankfurt (-1), Stockholm (-1.0), Zurich (-0.4).

FTSE Actuaries Share Indices

Table showing FTSE Actuaries Share Indices for May 31, including indices for Europe, Asia Pacific, and Latin America.

HELSINKI soared on a rumor that Nokia might be taken over by the US telecoms group Lucent. Nokia A and Hex index both hit new 1996 highs, rising by FM13, or 6.8 per cent, to FM205.50, and by 46.17, or 2.3 per cent, to 2,070.42.

MILAN saw profit-taking in Eni, the energy group, which fell L170 to L173.50, while the Milan index rose 0.55 to 68,558. Turnover was L715bn.

ZURICH featured a rise of SFr27, or 3.5 per cent, to SFr655 in the watchmaker, SMH on hullish talk ahead of its annual press conference next Friday.

AMSTERDAM'S BULL RUN

may be about to slow

David Brown on a surprising Dutch performance

At the start of this year, Amsterdam's investment community was convinced that the bourse was set, at best, to deliver an unremarkable performance. In late December, ABN-Amro Hoare Govett, the Dutch bank's stockbroker subsidiary, said that the AEX index was set for an anemic shuffle through the year.

Contrary to all published expectations, Amsterdam has since been stampeding from one all-time high to the next. By the close of business on Friday, the AEX had reached 570.08, a gain on the year to date of 19.5 per cent.

WARSAW recovered from Thursday's decline, but analysts were unsure whether this signalled a return to growth in the equity market. The Wig index, which had risen by some 70 per cent over the first five months of the year, added 1.5 per cent to 11,884.7.

ISTANBUL traders lightened portfolios ahead of Sunday's by-elections and a censure motion against the prime minister on Monday. The composite index shed 791.45 to 61,150.41.

SOUTH AFRICA Industrials moved forward while golds came under pressure as bullion moved to the \$390 an ounce level overnight and showed little strength during the session.

MANILA fell 1 per cent as many investors sold on news of a rise in first quarter GNP. The composite index lost 36.04 to 3,205.26, off a low of 3,245.27.

ASIA PACIFIC

New investment fund buying lifts Nikkei

Nine new investment trust funds worth ¥347bn bought into the market and the Nikkei average closed marginally higher, writes Emiko Terazono in Tokyo.

SEATTLE put on a technical rebound, but brokers said that sentiment was still depressed by huge margin accounts and economic worries.

JAKARTA saw Telkom fall Rp20 to Rp250 after reporting a 1.4 per cent rise in operating revenue. The JXK index rose 0.22 to 617.46.

STOCKHOLM thanked Ericsson and Astra, the Be and As respectively rising by SKr3 to SKr150.5, and SKr3.50 to SKr307.50 as the Affarsvarden General index closed 12.6 higher at 1,970.2.

COBENHAGEN saw another sharp drop at the cleaning company, ISS, DKr16 lower at DKr15 after a 20 per cent drop on Thursday, when it reported accounting regularities in its US unit which could cost it \$100m.

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LIFE EQUITY OPTIONS

Table showing Life Equity Options for various companies, including call and put options with prices and volumes.

RISERS AND FALLS

Table showing risers and falls in the market, listing company names and their respective price changes.

TRADITIONAL OPTIONS

Table showing traditional options for various companies, including call and put options.

LONDON RECENT ISSUES: EQUITIES

Table showing London recent issues in equities, including company names and issue details.

RIGHTS OFFERS

Table showing rights offers for various companies, including company names and offer details.

FINANCIAL TIMES EQUITY INDICES

Table showing Financial Times equity indices, including various market indices and their performance.

FT GOLD MINES INDEX

Table showing FT Gold Mines Index, including gold prices and related market data.

TRADEPOINT INVESTMENT EXCHANGE

Table showing TradePoint Investment Exchange data, including daily turnover and volume.

THE WEEK'S CHANGES

Table showing percentage changes for various Asian indices: Hong Kong (+2.2), Manila (+1.1), Tokyo (+0.7), Sydney (+0.5), Bombay (+0.4), Shanghai B. (-0.3), Seoul (-1.7).

THE WEEK'S CHANGES

Table showing percentage changes for various European indices: Helsinki (+1.8), Amsterdam (+1), Milan (+0.9), Paris (+0.8), Frankfurt (-1), Stockholm (-1.0), Zurich (-0.4).

Roundup

The overnight rebound in US stocks and bonds took HONG KONG'S Hang Seng index up 107.65 to 11,294.73.

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FT/S&P ACTUARIES WORLD INDICES

Table showing FT/S&P Actuaries World Indices, including regional and national market indices.

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LONDON STOCK EXCHANGE: Dealings

Details of business done below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Unless otherwise indicated prices are in pence. The prices are those at which the business was done in the 24 hours up to 5 pm on Thursday and are settled through the Stock Exchange Tailsman system, they are not in order of execution but in ascending order which denotes the day's highest and lowest dealings.

For those securities in which no business was recorded in Thursday's Official List the latest recorded business in the three previous days is given with the relevant date.

* Bargains at special prices. † Bargains close the previous day.

British Funds, etc.

Investment Trust PLC 12.5% Deb 2000 - £121.5

Corporation and County Stocks

City of London 1 1/2% Deb 2000 - £117.5

UK Public Boards

City of London 1 1/2% Deb 2000 - £117.5

Foreign Stocks, Bonds, etc.

Germany 10% Deb 2000 - £117.5

Capital & Regional Property PLC 8.25% Cum Sub Ltn 2002/18 - 101.2

Schroder Korea Fund PLC Ord 50.21 (S) - 212.5

Investment Trusts
Alliance Trust PLC 4 1/2% Deb 2000 - £121.5

Sterling Issues by Overseas Borrowers

Asian Development Bank 10 1/2% Ltn 2005 - £113.8

Listed Companies (excluding Investment Trusts)

ABF Investments PLC 5 1/2% Ltn 2005 - £113.8

ABF Investments PLC 7 1/2% Ltn 2005 - £113.8

ABF Investments PLC 9 1/2% Ltn 2005 - £113.8

ABF Investments PLC 11 1/2% Ltn 2005 - £113.8

ABF Investments PLC 13 1/2% Ltn 2005 - £113.8

ABF Investments PLC 15 1/2% Ltn 2005 - £113.8

ABF Investments PLC 17 1/2% Ltn 2005 - £113.8

ABF Investments PLC 19 1/2% Ltn 2005 - £113.8

ABF Investments PLC 21 1/2% Ltn 2005 - £113.8

ABF Investments PLC 23 1/2% Ltn 2005 - £113.8

ABF Investments PLC 25 1/2% Ltn 2005 - £113.8

ABF Investments PLC 27 1/2% Ltn 2005 - £113.8

ABF Investments PLC 29 1/2% Ltn 2005 - £113.8

ABF Investments PLC 31 1/2% Ltn 2005 - £113.8

ABF Investments PLC 33 1/2% Ltn 2005 - £113.8

ABF Investments PLC 35 1/2% Ltn 2005 - £113.8

ABF Investments PLC 37 1/2% Ltn 2005 - £113.8

ABF Investments PLC 39 1/2% Ltn 2005 - £113.8

ABF Investments PLC 41 1/2% Ltn 2005 - £113.8

ABF Investments PLC 43 1/2% Ltn 2005 - £113.8

ABF Investments PLC 45 1/2% Ltn 2005 - £113.8

ABF Investments PLC 47 1/2% Ltn 2005 - £113.8

ABF Investments PLC 49 1/2% Ltn 2005 - £113.8

ABF Investments PLC 51 1/2% Ltn 2005 - £113.8

ABF Investments PLC 53 1/2% Ltn 2005 - £113.8

ABF Investments PLC 55 1/2% Ltn 2005 - £113.8

ABF Investments PLC 57 1/2% Ltn 2005 - £113.8

ABF Investments PLC 59 1/2% Ltn 2005 - £113.8

FT GUIDE

GOURMET TOURS OF FRANCE

in association with the Omega Tourer from Vauxhall

Published with the FT in the UK on Saturday 18th May, this guide recommends chateaux and country houses in which to stay, restaurants and bistros on and off the beaten track, as well as places of historical and cultural interest. There is also a special section which gives you advice on how to get the best out of a motoring holiday in France.

The Guide also features an exclusive promotion for FT readers, offering up to four nights accommodation in France for only £10, courtesy of the new Omega Tourer from Vauxhall. To enter this promotion call 0171 413 3176 now for a free application card.

If you would like to order a back copy of the Guide, simply complete the coupon below.

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FT-SE ACTUARIES INDICES

The FT-SE Actuaries Share Indices are calculated by FT-SE International Limited in conjunction with the Faculty of Actuaries and the Institute of Actuaries.

Constituent lists and additional information on all the FT-SE International Index products are available from FT-SE International Limited, The Podium, St Alphegus House, 2 Fore Street, London, EC2Y 8DA.

Street

Street

LONDON STOCK EXCHANGE

MARKET REPORT

Wall Street decline knocks UK equity market

By Peter John
A late rout in US markets sent shares in London tumbling yesterday as inflationary storm clouds gathered.

regulator, made conciliatory comments suggesting a kinder ruling on BT price caps than some analysts had feared.

equity investors have been nervously watching the gilt market and tweaking prices every time gilts decline.

index which was up for the third month in a row. As the statistics were published, Treasuries fell sharply to record their second one-point fall this week.

712.5m shares up on Thursday's level when customer business was worth \$1.7bn.

FT-SE-A All-Share Index

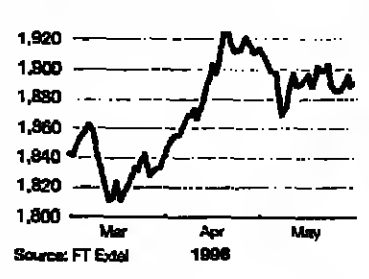


Table with indices and ratios: FT-SE Mid 250 (4510.0, +10.0), FT-SE-A 350 (1900.3, +1.4), FT-SE-A All-Share (1885.78, +1.36), etc.

Equity shares traded

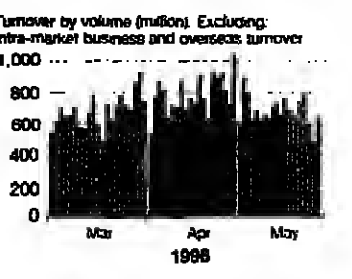


Table with FT-SE 100 Index: Closing Index for May 31 (3747.8), Change over week (+0.8), etc.

TRADING VOLUME IN MAJOR STOCKS

Table listing trading volume for major stocks like ASDA Group, Anglo Irish Bank, etc.

EQUITY FUTURES AND OPTIONS TRADING

Table showing stock index futures for FT-SE 100, FT-SE Mid 250, and FT-SE 100 Index Options.

BT up on regulator hopes

Telecoms giant BT, buoyed lately by hopes for less onerous price regulation, rounded off a strong week by being the best Footsie performer.

described as complex but intelligent

NEW 52 WEEK HIGHS AND LOWS
NEW HIGHS (000)

CHIEF PRICE CHANGES YESTERDAY

Table listing price changes for various stocks like Army, BKS Leisure, etc.

FT-SE Actuaries Share Indices

Table showing FT-SE Actuaries Share Indices for various sectors like FT-SE 100, FT-SE Mid 250, etc.

The UK Series

Table showing UK Series indices like FT-SE 100, FT-SE Mid 250, etc.

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Table listing price changes for various stocks like Army, BKS Leisure, etc.

Hourly movements

Table showing hourly movements for FT-SE 100, FT-SE Mid 250, etc.

FT-SE Actuaries 350 industry baskets

Table showing FT-SE Actuaries 350 industry baskets for various sectors.

ICl disposal talk

Chemicals group ICI gained 4 to 85p, as talk circulated that it is about to sell its stake in EVC, Europe's largest producer of PVC.

Lucas deal feted

News of the merger with Vartley of the US hoisted motor engineer Lucas Industries by more than 6 per cent to a new all-time high in the heaviest volume for two years.

FT-SE-A Indices - Leaders & Laggards

Table listing FT-SE-A Indices - Leaders & Laggards.

FT-SE-A Actuaries All-Share

Table showing FT-SE-A Actuaries All-Share indices.

FT-SE-A Actuaries 350 industry baskets

Table showing FT-SE-A Actuaries 350 industry baskets.

Hourly movements

Table showing hourly movements for FT-SE 100, FT-SE Mid 250, etc.

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Hourly movements

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FT-SE Actuaries Share Indices are calculated in accordance with a standard set of ground rules... The FT-SE Actuaries Share Indices are calculated in accordance with a standard set of ground rules...

LEGAL NOTICES

IN THE MATTER OF THE COMPANIES ACT 1985... NOTICE IS HEREBY GIVEN that the Order of the High Court of Justice (Chancery Division) dated 25th May 1996...

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COUNTRY SURVEYS ON DISK

LEGAL NOTICES

LEGAL NOTICES

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LEGAL NOTICES

MEDICAL SUPPLIES

MEDICAL SUPPLIES

MEDICAL SUPPLIES

MEDICAL SUPPLIES

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MEDICAL SUPPLIES

MEDICAL SUPPLIES

LONDON SHARE SERVICE

ALCOHOLIC BEVERAGES

Table with 2 columns: Company Name, Price. Includes entries like Diageo, Guinness, etc.

BANKS, MERCHANT

Table with 2 columns: Company Name, Price. Includes entries like HSBC, Citigroup, etc.

BANKS, RETAIL

Table with 2 columns: Company Name, Price. Includes entries like First Direct, etc.

BREWERS, PUBS & REST

Table with 2 columns: Company Name, Price. Includes entries like Carlsberg, etc.

BUILDING & CONSTRUCTION

Table with 2 columns: Company Name, Price. Includes entries like Bovis Lend Lease, etc.

BUILDING MATS. & MERCHANTS

Table with 2 columns: Company Name, Price. Includes entries like Bunnings, etc.

CHEMICALS

Table with 2 columns: Company Name, Price. Includes entries like ICI, etc.

DISTRIBUTORS

Table with 2 columns: Company Name, Price. Includes entries like John Lewis, etc.

DIWERSIFIED INDUSTRIALS

Table with 2 columns: Company Name, Price. Includes entries like Anglo American, etc.

ELECTRICITY

Table with 2 columns: Company Name, Price. Includes entries like British Energy, etc.

ELECTRONIC & ELECTRICAL EQPT

Table with 2 columns: Company Name, Price. Includes entries like Agilent, etc.

ENGINEERING, VEHICLES

Table with 2 columns: Company Name, Price. Includes entries like Ford, etc.

EXTRACTIVE INDUSTRIES

Table with 2 columns: Company Name, Price. Includes entries like Anglo American, etc.

ELECTRONIC & ELECTRICAL EQPT - Cont.

Continuation of Electronic & Electrical EQPT table.

ENGINEERING

Table with 2 columns: Company Name, Price. Includes entries like BAE Systems, etc.

ENGINEERING, VEHICLES - Cont.

Continuation of Engineering, Vehicles table.

EXTRACTIVE INDUSTRIES - Cont.

Continuation of Extractive Industries table.

FOOD PRODUCERS

Table with 2 columns: Company Name, Price. Includes entries like Unilever, etc.

ENGINEERING - Cont.

Continuation of Engineering table.

EXTRACTIVE INDUSTRIES - Cont.

Continuation of Extractive Industries table.

EXTRACTIVE INDUSTRIES - Cont.

Continuation of Extractive Industries table.

FOOD PRODUCERS - Cont.

Continuation of Food Producers table.

HOUSEHOLD GOODS

Table with 2 columns: Company Name, Price. Includes entries like Asda, etc.

INVESTMENT TRUSTS

Table with 2 columns: Company Name, Price. Includes entries like Fidelity, etc.

INVESTMENT TRUSTS - Cont.

Continuation of Investment Trusts table.

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INVESTMENT TRUSTS - Cont.

Continuation of Investment Trusts table.

Advertisement for Hewlett-Packard and Computacenter. Text: 'Print leader, performance servers, managed desktops. From the UK's leading provider of distributed IT systems and services. Computacenter'

ENGINEERING - Cont.

Continuation of Engineering table.

ENGINEERING, VEHICLES - Cont.

Continuation of Engineering, Vehicles table.

EXTRACTIVE INDUSTRIES - Cont.

Continuation of Extractive Industries table.

FOOD PRODUCERS - Cont.

Continuation of Food Producers table.

GAS DISTRIBUTION

Table with 2 columns: Company Name, Price. Includes entries like British Gas, etc.

HEALTH CARE

Table with 2 columns: Company Name, Price. Includes entries like Glaxo, etc.

HOUSEHOLD GOODS - Cont.

Continuation of Household Goods table.

INVESTMENT TRUSTS - Cont.

Continuation of Investment Trusts table.

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Continuation of Investment Trusts table.

INVESTMENT TRUSTS - Cont.

Continuation of Investment Trusts table.

INV TRUSTS SPLIT CAPITAL - Cont.

Table listing investment trusts with columns for Name, Price, and % Change.

LEISURE & HOTELS - Cont.

Table listing leisure and hotel companies with columns for Name, Price, and % Change.

OTHER FINANCIAL - Cont.

Table listing other financial companies with columns for Name, Price, and % Change.

PROPERTY - Cont.

Table listing property companies with columns for Name, Price, and % Change.

SUPPORT SERVICES - Cont.

Table listing support services companies with columns for Name, Price, and % Change.

AIM - Cont.

Table listing AIM companies with columns for Name, Price, and % Change.

OTHER INVESTMENT TRUSTS

Table listing other investment trusts with columns for Name, Price, and % Change.

OIL EXPLORATION & PRODUCTION

Table listing oil exploration and production companies with columns for Name, Price, and % Change.

INVESTMENT COMPANIES

Table listing investment companies with columns for Name, Price, and % Change.

OIL INTEGRATED

Table listing oil integrated companies with columns for Name, Price, and % Change.

PHARMACEUTICALS - Cont.

Table listing pharmaceutical companies with columns for Name, Price, and % Change.

RETAILERS, GENERAL - Cont.

Table listing general retailers with columns for Name, Price, and % Change.

TOBACCO

Table listing tobacco companies with columns for Name, Price, and % Change.

TRANSPORT

Table listing transport companies with columns for Name, Price, and % Change.

WATER

Table listing water companies with columns for Name, Price, and % Change.

CANADIANS

Table listing Canadian companies with columns for Name, Price, and % Change.

SOUTH AFRICANS

Table listing South African companies with columns for Name, Price, and % Change.

PAPER, PACKAGING & PRINTING

Table listing paper, packaging, and printing companies with columns for Name, Price, and % Change.

RETAILERS, FOOD

Table listing food retailers with columns for Name, Price, and % Change.

TELECOMMUNICATIONS

Table listing telecommunications companies with columns for Name, Price, and % Change.

AMERICANS

Table listing American companies with columns for Name, Price, and % Change.

PHARMACEUTICALS

Table listing pharmaceutical companies with columns for Name, Price, and % Change.

RETAILERS, GENERAL

Table listing general retailers with columns for Name, Price, and % Change.

TEXTILES & APPAREL

Table listing textiles and apparel companies with columns for Name, Price, and % Change.

PHARMACEUTICALS - Cont.

Table listing pharmaceutical companies with columns for Name, Price, and % Change.

RETAILERS, GENERAL - Cont.

Table listing general retailers with columns for Name, Price, and % Change.

TRANSPORT

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SOUTH AFRICANS

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AIM

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AMERICANS

Table listing American companies with columns for Name, Price, and % Change.

Advertisement for Sharelink with phone number 0121 200 2242 and the slogan 'Helping investors help themselves.'

GUIDE TO LONDON SHARE SERVICE

Guide to London Share Service: Prices for the London Share Service delivered by FT... Includes instructions on how to use the service and contact information.

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Deal creates world's second-largest brakes maker

Lucas and Varsity launch plans for £3.2bn merger

By Tim Bart in London

Lucas Industries, the UK automotive and aerospace equipment group, yesterday announced a £3.2bn (\$4.86bn) merger with Varsity Corporation of the US to create the world's second-largest brakes manufacturer.

The two companies suppliers, which have been discussing a merger since March, have decided to form LucasVarsity, a company employing more than 56,000 and boasting combined sales of \$4.6bn.

Sir Brian Pearce, chairman of Lucas, said the deal would create one of the top 10 automotive suppliers in the world, producing brakes, diesel engines and fuel systems, vehicle electronics and avionics.

The Lucas chairman will retain his role within the enlarged group. Mr Victor Rice, chairman of Varsity, will become chief executive. Mr George Simpson, the

current Lucas chief executive, is leaving to succeed Lord Weinstock at GEC.

Most industry observers welcomed the deal, in which Lucas shareholders will receive 62 per cent of the enlarged share capital, and Varsity shareholders 38 per cent.

Most played down the prospect of a hostile bid emerging, although both Siemens and Mannesmann of Germany have been mooted as potential bidders.

Mr Rice predicted that the two companies - supplying customers such as Volkswagen, General Motors and Ford - would achieve \$55m in annual cost savings through increased purchasing power, operating efficiencies and by extending Lucas's existing braking alliance with Sumitomo of Japan.

Sir Brian, meanwhile, ruled out large-scale redundancies and hinted instead that new orders would soak up excess capacity at LucasVarsity plants. He said the

new company had no plans to sell Lucas's aerospace division, adding that it enjoyed some of the highest margins at the company and was counter-cyclical to the automotive industry.

Under the merger terms, shares in the new group will be distributed to Lucas shareholders on a one-for-one basis. Varsity shareholders will receive 1.38 American depositary receipts - baskets of shares denominated in dollars - for every share of Varsity capital stock.

Following the merger, due to be completed in September, the enlarged group will be quoted and have its headquarters in London, while retaining a New York listing.

Lucas shares rose 14p to 245p, while Varsity rose 3 1/4 to \$49 1/4 in late trading.

Brake could yet be put on marriage, Page 7
London stocks, Page 21
See Lex

France Télévision head quits over public criticism

By Andrew Jack in Paris

The head of France Télévision, controller of the country's two public broadcasting networks, resigned yesterday after growing public criticism of his management approach.

Mr Jean-Pierre Elkabbach announced his decision to quit after 2 1/2 years during a hastily summoned press conference at which he fiercely defended his strategy for the group.

"I have decided to go," he said at the end of a 15-minute prepared statement, during which he justified his policies. He has been criticised for using independent production companies and for populist programming.

Mr Elkabbach said he was resigning to ensure that the strategy he had launched, and his staff, would not be undermined. He stressed that since taking control, the group had raised its viewer figures, the quality of programming and profits.

He then left for a board meeting of France Télévision, while members of the CSA, the state audio-visual regulator which is responsible for choosing a successor, met to discuss the consequences of his action.

Mr Elkabbach's decision follows a month of attacks linked to growing discontent with the way he has run the France 2 and France 3 stations, and notably the "animation-producer" system of paying large sums to independent production companies run by talk show hosts.

The CSA had told him of its dissatisfaction with the system at a hearing last month, and he was scheduled to appear before the regulator again next week to explain modifications he planned to make to improve the management of such contracts in future.

France Télévision - and notably France 2 - has long come under attack by some for its increasing use of talk shows and other populist programmes, part of an approach to raise audiences and increase advertising revenue, on which it has become increasingly reliant.

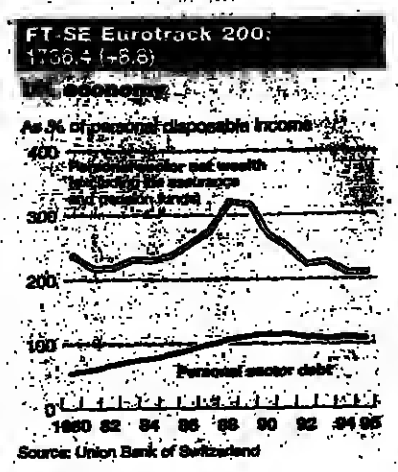
The debate intensified in the past few months following publication of a parliamentary report showing the large sums paid to outside contractors. This triggered anger from staff at France 2, who were given what they claimed were far more modest salaries and budgets.

In April, Mr Elkabbach made public his decision to sue one outside producer who he claimed had not provided adequate financial information on his costs. It emerged that France Télévision had also provided interest-free loans to the producer, Mr Jean-Luc Delarue. A Paris court has since rejected his demand.

Mr Elkabbach inflamed the debate further in the past few days by abruptly sacking two of his closest aides.

THE LEX COLUMN

Part exchange



The merger of Lucas and Varsity should turn out to be a top 10 hit. The combination of two essentially regional companies will produce one truly global motor components supplier with sales of \$4.6bn - big enough to be in the top 10 worldwide in an industry where size really matters. The strategic fit is as good as the geographic one: LucasVarsity will be world number two in brakes after Bosch, with an enhanced capability to make complex braking systems; Varsity's Perkins diesel engine business will start sourcing diesel injection systems from Lucas; and there will be synergies from enhanced purchasing and distribution.

Those overlaps have allowed management to promise £130m in cost and tax savings. Coupled with the aggressive expansion planned at Varsity itself, analysts expect the merger to enhance earnings per share by over 50 per cent within two years.

The enlarged group will also have a much stronger balance sheet than Lucas on its own, allowing it to hang on to the UK group's aerospace division. Longer term, aerospace and even Perkins could be sold to fund further expansion in core areas such as automotive electronics.

There is still a danger that a hostile bidder could disrupt the merger, though it would find it very difficult to match the industrial logic. The greater worry is that this is an industry where cost savings tend to be rapidly competed away. Much depends therefore on how quickly Mr Victor Rice, the new chief executive, can knock the two companies together. At Lucas, in particular, there is a huge opportunity to improve margins and cash generation - but its culture has proved remarkably resistant to change.

For the service sector - including financial services - it is pretty good too. The Belgood factor is, however, likely to take longer to feed into manufacturing. Manufacturing output has been lagging retail spending, as excess stocks have been wound down. And there is little sign that the overhang is exhausted. Export markets, especially in Europe, remain depressed.

But European markets are set to recover. And the stock overhang is only a temporary problem. So manufacturing weakness is likely to be only short-lived. The risk is that, even so, it could still prove a convenient pretext for the chancellor to run too lax a monetary policy - either cutting interest rates further, or just falling to treasury busting, this would do little to boost manufacturing - and plenty to boost inflation.

Sun Life and Provincial

After only a six-year absence, Sun Life is about to return to the London stock market in a partial flotation by its owner, Union des Assurances de Paris. In the intervening years, the experience of the quoted life insurance sector has not been a happy one. The industry has just emerged from three grim years, having suffered from the scandal of pensions mis-selling and the resulting decline in consumer confidence, a weak housing market and increasing competition.

But the timing of the offering looks spot on. The mis-selling saga is in the past, and for the first time in 2 1/2 years, industry figures for the first quarter show a rise in premiums. Sun Life is well placed to benefit from recovery, given its strong position with independent financial advisers, whose share of the life insurance market is increasing. It looks particularly attractive next to the quoted life assurance companies, which tend to rely on distribution through tied agents and direct sales, tarred by the mis-selling brush.

Partly because Sun Life is actually a better company than most in the sector, the price may look expensive. Comparisons are difficult, given the inconsistency of embedded value calculations and uncertainty over how to value orphan assets in some companies which may or may not benefit shareholders. But a premium of more than 50 per cent to embedded value, the likely valuation of Sun Life shares, would need to be pretty convincingly justified - even given comfortable dividend cover, the prospect of double-digit dividend growth in the next few years and strong profits growth this year.

Bulgarian stance increases chance of default on bonds

By Theodor Troev in Sofia and Anthony Robinson and Richard Lapper in London

Government denies obligation to cover state-owned bank's debts

The likelihood of a default on Y5bn (\$47.6m) in bonds issued by Bulgaria's Mineralbank increased sharply yesterday when Mr Dimitar Kostov, the Bulgarian finance minister, made clear that the government was under no obligation to cover the bank's debts.

The default would come as a shock to Japanese investors who have been heavy buyers of yen-denominated bonds issued by foreign borrowers over the past year.

One London banker yesterday said a default by Mineralbank could be "very significant" for colouring Japanese opinion of emerging market issues, particularly those from eastern and central Europe.

"Japanese investors will look more closely at the nature of guarantees and the security provided by the state to support these transactions," he added.

Japanese retail investors have been especially attracted to yen-denominated bonds issued by borrowers from the emerging

markets because they pay much higher interest rates than those available at home.

Countries ranging from Tunisia to Romania have issued yen bonds in the last year. The Mineralbank issue was placed entirely with Japanese investors.

The Bulgarian central bank yesterday applied to the courts to initiate bankruptcy proceedings against Mineralbank. The bank had accumulated losses of Lv8.6bn (\$62.8m) by the end of 1995.

Although the bank is state-owned, the Bulgarian finance minister said the government was not obliged to pay off its yen bonds when they mature later this month. "Mineralbank's debts are not government debts. There has been no such arrangement," Mr Kostov said.

Other analysts played down the significance of the move. Mr Andrew Kenningham, emerging markets analyst at Merrill Lynch, the US investment bank, said:

"This is very specific to Bulgaria and has no immediate implications for other borrowers. It simply underlines the country's foreign exchange shortages."

Mineralbank placed the bonds privately in 1996, rather than on the so-called samurai public market for non-Japanese issuers.

Ironically, Mineralbank, which is believed to be the sole issuer of yen-denominated bonds in Bulgaria, was the only bank which continued to service its foreign debt when Bulgaria declared a debt moratorium five years ago. But these payments weakened its capital base and contributed to its current inability to repay.

Bulgarian bankers expressed concern at the long-term damage which default on the bonds could inflict on Bulgaria's future ability to attract foreign capital and the wider impact on other former communist states, such as Romania, whose National Bank has just arranged its first samurai bond issue of Y52bn.

Car parts

If further evidence were needed of the relentless pressure for consolidation among motor components manufacturers, the Lucas-Varsity merger has provided it. Not only are vehicle makers demanding world-wide delivery of increasingly sophisticated component assemblies, which only the biggest suppliers can manage. The industry's members are also putting pressure on each other. LucasVarsity is at least partly a response to the recent combination of Bosch and Bendix, two of its biggest rivals in the brake market. And the trend is accelerating: the number of suppliers with annual sales of £1bn or more is expected to halve to 20 by the end of the decade.

That does not augur well for smaller participants. Of course absolute size is

UK economy

One swallow does not make a summer. But April's sharp increase in British consumer credit is just the most striking of recent hints that the confident consumer, that elusive creature, is back. The figures themselves do not, of course, mean people have been spending more money; they may just have been borrowing more. But that still matters - because it suggests confidence. At a time when household debt levels remain obstinately high, this is remarkable. Nonetheless, house prices are creeping up again, net wealth levels are no longer falling and the negative equity problem is shrinking fast. With interest rates low and disposable income growing, the outlook for consumer spending is rosy. For retailers, this is excellent news.

Sinn Féin records success in N Ireland poll

Continued from Page 1

talks. The four traditional groups - the UUP, DUP, SDLP and Sinn Féin - will be joined by the non-sectarian Alliance party and several fringe groups including two parties representing loyalist paramilitaries.

The talks will put several former terrorists in one room. One

of the most notable victories came in North Belfast where Mr Gerry Kelly, convicted for life for bombing the Old Bailey in London, won a seat.

The sight of such adversaries is likely to reinforce the determination of the Rev Ian Paisley, DUP leader, not to be in the same room as Sinn Féin.

Mr Adams called on the gov-

ernments and parties to engage with republicans. "They mightn't like the results, but that's the ballot box for you," he said.

There was little sign that Roman Catholics or Protestants had broken tradition by voting in greater numbers for parties outside their communities. The UUP vote suffered from the proliferation of unionist parties.

FT WEATHER GUIDE

Europe today

Western Norway will have showers and gale force winds, while eastern parts will be cloudy and mainly dry. The rest of Scandinavia will be mostly sunny and dry. The Low Countries and western France will be sunny. A frontal zone will bring cloud and rain from Finland to north-west Spain. Thunder showers are likely in Germany and across to the Pyrenees. The Mediterranean will be sunny and hot. Eastern Europe will be sunny and warm. Rain and thunder will linger over the eastern Black Sea and eastern Russia. Northern parts of the British Isles will have sunny spells interspersed with showers, while southern regions should remain dry and sunny.

Five-day forecast

France will have rain and thunder on Sunday which will spread into the central Mediterranean. Frontal disturbances over north-west Europe will result in rain and strong winds. High pressure will promote sunny and warm conditions over eastern Europe.

TODAY'S TEMPERATURES

| | | | | | | | | | | | | | | | | | |
|-----------|-----|----|--------------|--------|----|-----------|------|----|------------|--------|----|-------------|--------|----|------------|--------|----|
| Abu Dhabi | sun | 40 | Beijing | show | 32 | Caracas | sun | 24 | Faro | sun | 28 | Madrid | sun | 29 | Rangoon | show | 31 |
| Accra | sun | 30 | Berlin | rain | 21 | Chicago | show | 23 | Glasgow | sun | 20 | Manama | sun | 28 | Reykjavik | cloudy | 10 |
| Algiers | sun | 22 | Bermuda | show | 24 | Cologne | sun | 24 | Havana | sun | 22 | Melbourne | sun | 26 | Singapore | sun | 27 |
| Amsterdam | sun | 16 | Bogota | cloudy | 19 | Dakar | sun | 28 | Helsinki | sun | 18 | Mexico City | cloudy | 24 | Stockholm | sun | 27 |
| Athens | sun | 28 | Bombay | sun | 34 | Dallas | sun | 32 | Hong Kong | cloudy | 29 | Miami | sun | 30 | Strasbourg | sun | 20 |
| Atlanta | sun | 29 | Buenos Aires | sun | 19 | Doha | sun | 30 | Honolulu | sun | 26 | Montreal | sun | 21 | Sydney | sun | 22 |
| B. Aires | sun | 10 | Budapest | sun | 31 | Dubai | sun | 30 | Jakarta | cloudy | 32 | Moscow | sun | 21 | Toronto | sun | 21 |
| B. Han | sun | 18 | Dhaka | sun | 31 | Dublin | show | 15 | Jersey | sun | 27 | Munich | sun | 24 | Tokyo | sun | 24 |
| Bangkok | sun | 30 | Delhi | sun | 31 | Dzard | sun | 27 | Karachi | sun | 27 | Nairobi | sun | 25 | Toronto | sun | 26 |
| Barcelona | sun | 23 | Cape Town | cloudy | 15 | Edinburgh | show | 18 | Kuwait | sun | 45 | Nagasaki | sun | 24 | Vancouver | sun | 19 |
| | | | | | | | | | L. Angeles | sun | 25 | New York | sun | 24 | Varese | sun | 29 |
| | | | | | | | | | Lima | sun | 21 | Nice | sun | 28 | Warsaw | sun | 27 |
| | | | | | | | | | Lisbon | sun | 24 | Niagara | sun | 28 | Washington | sun | 29 |
| | | | | | | | | | London | sun | 17 | Oaxaca | sun | 28 | Washington | sun | 29 |
| | | | | | | | | | Lucembourg | sun | 18 | Paris | sun | 20 | Washington | sun | 29 |
| | | | | | | | | | Lyon | sun | 20 | Peking | sun | 29 | Wilmington | sun | 28 |
| | | | | | | | | | Madras | sun | 22 | Prague | sun | 28 | Zurich | sun | 20 |

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